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TODAY: STAGE Nigger Anxiety, Page 10

Dutch Vow EU Reform, But Deadline Is in Doubt

Leader Meets Major In Effort to Break Impasse on Vetoes

By Tom Buerkle
International Herald Tribune

THE HAGUE — Opening its six-month presidency of the European Union, the Dutch government promised Tuesday to push for political reforms to prepare the bloc to expand into Eastern Europe, but acknowledged that internal divisions could delay an agreement beyond a June target date.

Prime Minister Wim Kok put substance before timing on EU reform, saying the Union must make substantial progress in overhauling its governing institutions and in deepening cooperation in areas ranging from foreign policy and combating organized crime to employment and the environment.

Paraphrasing John Kennedy's appeal that Americans ask not what their country could do for them, Mr. Kok said, "The question is what we can do for our common future, because our future lies in Europe." Mr. Kok's comments were in keeping with the Dutch tradition of being among the most ardent advocates of European integration, which this small trading nation regards as vital to its prosperity and security.

But EU officials hope the pragmatism of the 58-year-old former union leader, who eschews talk of a federalist Europe and refuses to lock his government into a June deadline, will succeed in breaking the impasse on the Union's reform negotiations.

Mr. Kok wasted no time in going to the heart of the impasse, inviting the British prime minister, John Major, to a private dinner here Tuesday evening.

He said he wanted to probe for any sign of softening in Mr. Major's public opposition to most of the reform proposals, particularly curtailing the ability of single countries to veto EU policies. He also planned to appeal for a calming of the rhetoric in Britain, which Dutch officials fear could limit London's ability to compromise even if Tony Blair's Labour Party defeats Mr. Major's ruling Conservatives in the general election that must be held by May 22.

"We want to talk and to negotiate in a very serious way with the British government," Mr. Kok said. "We are not just sitting back and waiting for the elections. We don't have the luxury of time." But in a sign of how far Euroskeptics in Britain have shifted the debate, Mr. Major found himself defending Britain's EU membership rather than discussing future reforms.

"I don't believe when you examine the implications of leaving the European Union that there is any remotely plausible case to be made for leaving," he said at a press conference in London.

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Charles Rex Arbogast/The Associated Press

Newt Gingrich on a cellular phone as he and his wife left a prayer service in Washington early Tuesday.

Gingrich Weathers U.S. House Storm

Re-elected, Speaker Expresses Regrets for Any Misconduct

By Brian Knowlton
International Herald Tribune

WASHINGTON — Quelling a small but potentially threatening rebellion, Newt Gingrich was re-elected Tuesday as speaker of the House of Representatives, overcoming the opposition of some Republicans who feared his ethical breaches could fatally weaken his leadership.

House members, meeting on the first day of the 105th Congress, gave Mr. Gingrich 216 votes, to 205 for the Democratic leader of the chamber, Richard Gephardt. Five Republicans and Mr. Gephardt abstained, and four cast votes for others. Four members were absent or not voting.

That meant that Republican leaders had narrowly succeeded in limiting an incipient uprising to a small core of defectors concerned about Mr. Gingrich's stewardship of the House at a time when ethics charges against him are pending.

A House committee is to decide by Jan. 21 what punishment to propose after an investigation of Mr. Gingrich's admitted misuse of tax-exempt funds for political ends.

Mr. Gingrich, 53, thus achieved his goal of becoming the first Republican speaker to be re-elected in 68 years. In the succession to the presidency, the speaker stands behind only the vice president.

But it was the first time since 1923 that a speaker had been elected by a majority of those present rather than by a majority of all the 435 members of the lower house of Congress.

Analysts say Mr. Gingrich is unlikely to be able to lead with anything like the confident grasp of power he enjoyed early in the last Congress.

In an acceptance speech, he spoke in apologetic tones of the ethics case, and of charges that he hurt the Republican cause through personal arrogance in the early days of the last Congress.

"To the degree I was too brash, too

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Priest Ousted For Heresy Gets Support

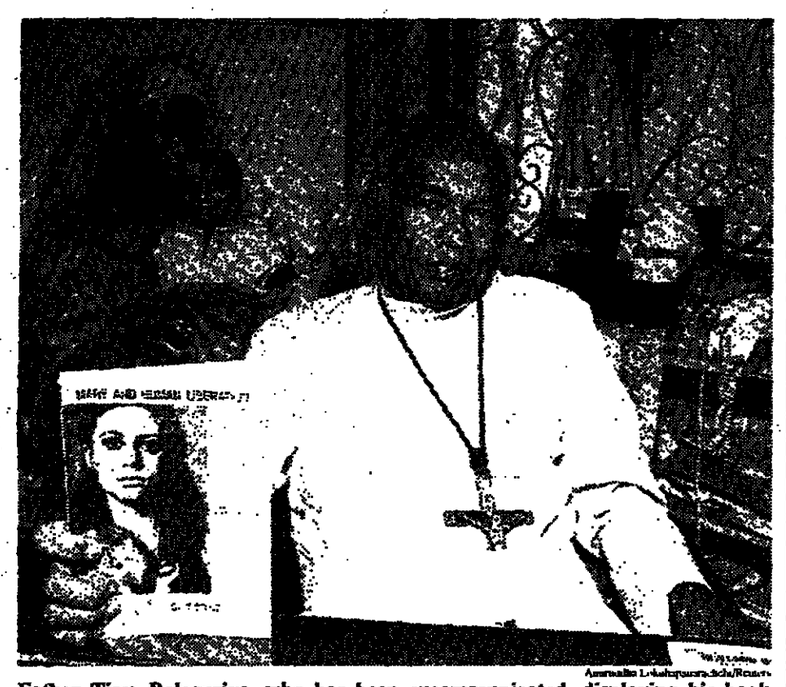
By Celestine Bohlen
New York Times Service

ROME — The Roman Catholic Church rarely talks these days of heresy, a verdict that carries eerie echoes of the Inquisition and ends in automatic excommunication, the harshest penalty in canon law. And so theologians took note when the Vatican's doctrinal authorities found a 72-year-old Sri Lankan priest and scholar guilty of having "deviated from the integrity of the truth of the Catholic faith," and formally cast him out of the communion of the church last week.

The harshness of the verdict, and the punishment, promise to make the case of the Reverend Tissa Balasuriya something of a cause célèbre among Third World theologians who have followed his ordeal before the Vatican authorities with both sympathy and dread. The only other public case of excommunication in recent times was against Archbishop Marcel Lefebvre in 1988, after he continued to flout the reforms of the Second Vatican Council.

Father Balasuriya was accused of challenging such basic Roman Catholic beliefs as original sin and the immaculate conception.

Reached by telephone in Colombo, the Sri Lankan capital, he said that calls and telegrams were coming in from around the world, as well as a petition of support signed by colleagues from the Ecumenical Association of Third World Theologians.



Amarasiri Lokuhapuarachchi/Reuters

Father Tissa Balasuriya, who has been excommunicated, displaying his book "Mary and Human Liberation" at his office in Colombo, Sri Lanka, on Tuesday.

"They all say they will always treat me as a priest and a Catholic," said Father Balasuriya, a member of the missionary order of the Oblates of Mary Immaculate for 51 years. He added that his four-year battle with the defenders of Catholic orthodoxy had made him "more Catholic than ever."

Father Balasuriya's views, which blend some elements of "liberation" theology with a pluralist, anti-dogmatic theology that has taken root in India, echo some of the themes of a "relativistic" approach to religion that has set off alarms among keepers of the faith at the Vatican.

"Relativism," recently described by one top church official as the gravest threat to dogmatic faith since Marxism, holds that no faith has a unique claim to the truth and that no

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Toward a Market That Truly Rules?

Social Security Plan Scares Some

By David E. Sanger
New York Times Service

NEWS ANALYSIS

WASHINGTON — Every week a president and cabinet members make decisions, large and small, that move markets. Should the United States go to war against Saddam Hussein to protect Kuwait and maintain access to oil? Should it agree to a series of spending cuts that make a balanced budget within six years more likely? Should it agree to cut the capital gains tax?

Now, the recommendation that the country place a large part of the Social Security trust fund in the stock market, where it should be able to reap greater returns and avoid a revenue problem early in the next century, raises a host of questions about how such decisions of state might be affected. Under the most modest investment plan suggested Monday by the Advisory Council on Social Security, $1 trillion in government money could be placed in the stock market by 2015. Under the most aggressive plan, the figure would exceed $4 trillion.

Could any president — or a Treasury secretary or Federal Reserve head — ignore that fact in making decisions that could send the markets into the tank, imperiling the returns on funds in which, as the committee noted, "every American family would have a stake?"

That is only one of the many questions prompted by the conclusions of the Advisory Council, which was sharply divided on whether investing in the market was necessary to save the system — and, if necessary, whether Social Security beneficiaries should be given broad powers to manage their individual accounts.

That would turn the system into something akin to a

See MARKET, Page 7

New UN Chief Is Old U.S. Hand

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Kofi Annan's discovery of America began in the turbulent 1960s, on a Midwestern college campus that flew a UN flag. It was an era of civil rights protests and passionate policy debates over a world of causes.

Now, as Mr. Annan takes over as the seventh secretary-general of the United Nations, the United States seems to him a different place, estranged from the international organization, more wary of involvement in the outside world.

His election owed much to American antipathy toward his predecessor and skepticism over the organization's performance. One of his biggest challenges, he says, will be to help repair the relationship.

Few would dispute that Mr. Annan, 58, has the credentials to do this. No secretary-general has known the United States as intimately or for as long as this Ghanaian, the first black African elected to the job. And unlike his predecessors, Mr. Annan has not only enjoyed diplomatic society in New York, but also nurtured a deep, decades-long fascination with African-American life across the United States.

It began, he says, in 1959 when, as a student from newly independent Ghana, he began to watch as "the African diaspora in America woke up and embraced Africa."

"It was an exciting period," he said in an interview after his first hectic days in his new office atop the UN Secretariat building. "I had come from Ghana, and we

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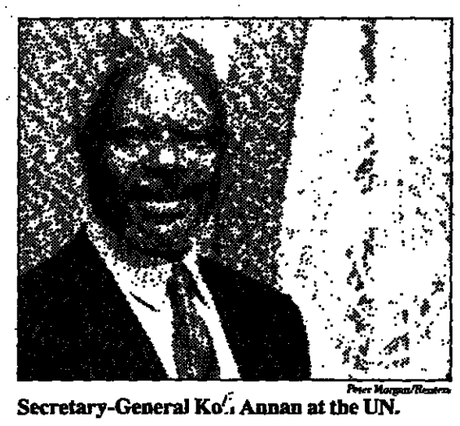

Peter Morgan/Reuters

Secretary-General Kofi Annan at the UN.

A New High-Tech Code: From Widgets to Service

By Claudia H. Deutsch
New York Times Service

NEW YORK — It gives "postindustrial" a whole new meaning: From General Electric Co. to Wang Laboratories Inc., from Xerox Corp. to Hewlett-Packard Co., American companies that a few years ago got almost all their profits from selling widgets are rapidly transforming themselves into service providers.

Computer companies like Unisys Corp. and IBM Corp. are designing, installing and running other companies' computer operations. Document processors like Xerox and Pitney Bowes Inc. now run mail rooms and copy centers and distribute documents electronically.

Honeywell redesigns refineries. Hewlett-Packard not only designs and operates data systems, but also pays for the whole package and then leases it out. "Customers want to finance a solution, not a little piece of it," said Ann Livermore, vice president of Hewlett-Packard's service operations.

The move to services is one of the hottest strategies in U.S. business, and it is driven by changes at the very foundations of manufacturing.

Intense competition has made equipment margins sliver thin, while the trend for customers to outsource many of their internal systems has put a premium on expertise.

"Services generate huge cash flows, and today's businesses are run for cash flow," said Nicholas Heymann, an analyst with NatWest Securities.

Enough manufacturers are switching to services these days to pose a real threat to Electronic Data Systems Corp., Andersen Consulting and other technological consultants. And the competition is getting nasty, with the pure consultants saying that equipment makers cannot be trusted to be objective advisers.

"An awful lot of manufacturers are in services just to pull through their hardware," said John Harris, a vice president at EDS.

The technology consultants are fighting back with more than innuendo. EDS

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Dow Jones	Trib Index
Up	Up
33.48	0.15%
6600.66	149.81

The Dollar

New York	Tues. close	previous close
DM	1.5643	1.564
Pound	1.6948	1.6935
Yen	115.195	115.77
FF	5.2838	5.284

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1.250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20

Tokyo Poses ASEAN Puzzle

Hashimoto's Visit Takes Up the Japan-China Balance

By Michael Richardson
International Herald Tribune

SINGAPORE — As Prime Minister Ryutaro Hashimoto of Japan began a tour of Southeast Asia on Tuesday, he brought with him a puzzle for the region: how to balance the interests of Japan with the growing influence of China for the benefit of other Asian countries.

Mr. Hashimoto arrived in Brunei — the first stop on a visit that will take him to Malaysia, Indonesia, Vietnam and Singapore over the next seven days — intent on gaining support for his proposal that Japan and ASEAN, the Association of South East Asian Nations, should hold regular summit meetings to strengthen ties.

"I would like to deepen that relationship," he said shortly before he left Tokyo. "I think it would be a good idea if there was a forum where the leaders of ASEAN and Japan could regularly talk things over face to face."

But Southeast Asian officials said Tuesday that most countries in the region were wary of the proposal, fearing it could offend China unless Beijing is offered similar treatment.

ASEAN does not want to make such an offer until China clarifies its intentions toward Southeast Asia, where it has conflicting claims with Vietnam, Malaysia, Brunei and the Philippines to ownership of the Spratly Islands in a strategically important part of the South China Sea.

Instead, Southeast Asian officials said that Japan should work more closely with ASEAN in drawing China gradually into a network of economic, political and security ties that would help resolve tensions and maintain stability in the Asia-Pacific region. In ad-

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AGENDA

A Baseball Legend Is Up for Sale

The Los Angeles Dodgers, the last major league baseball team owned by a family as its sole business, is for sale, according to Peter O'Malley, one of the team's two owners.

One of the most glamorous and successful franchises in professional sports history moved 40 years ago, controversially, from Brooklyn, New York, to the West Coast, where it has continued to flourish. (Page 18)

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Dying Man Defends His Right to Die

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Diplomatic Immunity Is Strained

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Explosion Rocks Iraqi Capital

BAGHDAD (Reuters) — An explosion rocked Baghdad on Tuesday, wounding five people and wrecking a hospital laboratory, an Iraq-based Iranian rebel group said. A Mujahidin Khalq source said the explosion was caused by a mortar shell that had been directed at the group's headquarters.

Where Assisted Suicide Is Illegal / **Suffering and Dignity**

One Who Staunchly Defends His Right to Die

By Laurie Goodstein
Washington Post Service

LINCOLN, Rhode Island — The fainter his voice has grown, the louder Noel David Earley's message has resounded. He lies wooden and still as a log under a pink blanket on a blue recliner in his living room. With his right hand — the last extremity he can control — clenched in a frozen curl, he fumbles to pinch a cigarette from a pack lying on his chest.

Two years ago, Mr. Earley played tennis, baked bread, sailed on the bay. But Lou Gehrig's disease, or amyotrophic lateral sclerosis, has swiftly stilled his muscles, nearly snuffed out his breath and silenced his voice.

Mr. Earley, who turned 48 on Christmas, has said publicly that he will commit suicide before he loses the dexterity to jab his vein with a hypodermic needle filled with a lethal mix of morphine and Demerol. He has to do it before he needs someone's help: Rhode Island passed a law last year making it a crime to assist in a suicide.

Thirty-four other states have adopted similar laws banning assisted suicide, and on Wednesday, the U.S. Supreme Court will consider the question of whether liberty and justice for all also guarantees sick people the freedom to die with a doctor's help. In one of his final acts of physical exertion, Mr. Earley pecked out a letter at his computer to each of the justices, pleading with them to picture him at home in his final weeks, lungs filling with fluid, mind alert, desperate to die.

"No one should have to suffer, at any time," Mr. Earley said recently, gasping for breath only days before he lost his voice completely. "There are thousands of people across the country like me who are terminal, and the medical community has largely abandoned them. I'm fighting for them."

Mr. Earley has spent what are likely to be his final months offering himself as "Exhibit A" for the right-to-die cause. He has provided the public an intimate, visceral diary of a person slowly losing control over his life — and determined not to lose control of his death.

He phoned the Providence Journal-Bulletin with his story, and the paper assigned a photographer and reporter to chronicle his decline. He responded to an ad in a newsletter of the Hemlock Society, a right-to-die advocacy group, seeking a terminally ill person willing to bare his soul on television. The resulting program is scheduled to air Wednesday on ABC's "Nightline." He railed against the proposed Rhode Island law before a state Senate committee. When it passed anyway, Mr. Earley contacted the American Civil Liberties Union, which plans to challenge the law and name Mr. Earley as a plaintiff.

An Associated Press story last month sent a stream of reporters and camera crews to Mr. Earley's basement apartment: NBC, U.S. News & World Report, and TV crews from Brazil and Germany.

Mail arrives in bundles: letters of support, people praying for him, a package from Louisiana containing a New Testament and a note saying, "Please read this beginning with the gospel of John." Mr. Earley, a lapsed Presbyterian, says he has already read the Bible. And the Koran. And the Bhagavad Gita.

Maria Parker, the Catholic lobbyist for the Diocese of Providence, despairs that the attention to Mr. Earley is drowning out her message of the potential danger of allowing doctors to assist suicide. "The more we focus on this man and his poor plight," Ms. Parker said, the less people realize "the societal impact of what will happen if people are allowed to decide whether some people should live or die."

What has given Mr. Earley's story its power is that he is articulate, funny and passionate, and has promised the ultimate finale. He invited the Journal-Bulletin photographer and the "Nightline" producer to record his suicide, but the paper declined, and "Nightline" is leaning against it, their spokesmen say. In late September, he announced that he would kill himself on Dec. 4 because he anticipated that by then he would no longer be able to speak.

But on Dec. 3, he said he was postponing the suicide for as long as he could voice his concerns. In one subsequent interview, he said he did not expect to live past his birthday. In another, he said he did not expect to see 1997.

But Mr. Earley has lingered, buoyed, he says, by the attention his crusade has garnered. "I don't expect to win in my life," he said. "I expect whoever picks up the banner to win. As long as somebody wins, I'm a team player."

The Providence Journal-Bulletin

Noel David Earley, who is suffering from Lou Gehrig's disease, holding a news conference in his apartment on Dec. 3 to announce the postponement of his suicide, which he had set for the following day.

EVEN before the disease struck, Mr. Earley says he supported the right to assisted suicide. His experience running a day-care program for patients with Alzheimer's disease left a deep impression on him. "In their lucid moments, there were patients who told me they would have preferred to die," Mr. Earley said.

Mr. Earley has few relatives to talk him out of taking his own life. He and his second wife divorced last year. He says he has a girlfriend who is "in denial." He has no children. His parents are dead, as is the grandmother who raised him in Port Jefferson, New York. He has an older brother who now visits weekly, but Mr. Earley says they are not close.

Fifty old friends from across the country showed up at a "going-away party" for him last month. One friend drives more than an hour every morning to lift Mr. Earley from his bed to his recliner. Another comes each evening to put him back in bed.

Some opponents of assisted suicide say for the record that they have "compassion" for Mr. Earley, while off the record they depict him as a pathetic and impoverished loner with little to live for.

"Baloney," Mr. Earley says in response. "Do you think it's going to be easy for me to jam a needle in my vein? It takes courage, just as much as the passive act of suffering. You're yielding to the disease. I will not yield."

The first signs of amyotrophic lateral sclerosis appeared in the spring of 1995, when Mr. Earley reached for a Mariner's Dictionary on an upper shelf and noticed he could not stand on his tiptoes. He was diagnosed a few weeks later at the local Veterans Administration hospital, where he goes for medical care because he served in Vietnam.

ALS is a cruel disease for which there is no known cause or cure. The voluntary muscles begin to twitch uncontrollably and eventually atrophy, but the mind remains alert. Most patients succumb when the diaphragm and rib muscles become paralyzed, and breathing becomes impossible. Some continue breathing on ventilators, but many die quickly from pneumonia or infections.

Mr. Earley says he would have considered living longer on a ventilator if he could have had the assurance that, once he became paralyzed, a doctor could help him die. But under Rhode Island's new law, anyone who assists in a suicide faces 10 years in prison and a $10,000 fine, and the state attorney general says he will enforce the law.

"My premature demise is a result of the narrowness of the law," Mr. Earley wrote to the Supreme Court.

A clutch of bubbly hospice workers now attends to Mr. Earley during the day. They come in pairs so that none of them can be accused of assisting in his death. Mr. Earley says that a friend he will not name drove out of state several weeks ago to buy the morphine and equipment he needs to kill himself.

A Catholic nun brought him a painting of Jesus that sits on a shelf that Mr. Earley calls his "shrine." The nun spent hours at his bedside, Mr. Earley said, trying to convince him of the dignity of suffering.

"We argued," he said. "Dignity is defined as self-worth, self-image, self-reliance. None of those things are drawn from suffering."

Jerusalem as Spoiler? For Jews, Shifting Views

Survey Shows Room for Compromise

By Barton Gellman
Washington Post Service

JERUSALEM — With the final stage of Israeli-Palestinian talks set to begin this year, negotiators are turning attention to the difficult issues they agreed to save for last: Palestinian statehood, boundaries, Jewish settlements, Palestinian refugees and — perhaps most intractable of all — Jerusalem.

A new survey of Israeli Jews, published Monday, suggests that Jerusalem might not be the deal-breaker it is often supposed. The poll results cast doubt on the widespread view that this oft-conquered city, holy to three religions and claimed as capital by Palestinians as well as by Jews, is the rock on which the talks are likeliest to founder.

The survey, while confirming Israeli Jews as inflexible over the fate of Jerusalem in principle, breaks significant new ground by probing deeply into what they mean by Jerusalem and where they draw its lines. Though virtually all respondents said Jerusalem was important or very important to them and four-fifths opposed any bargaining on its future, further questioning revealed clear distinctions between neighborhoods.

Every political faction, from right to left, showed strikingly less attachment to the areas where Jerusalem's Arabs live than to Jewish neighborhoods. When asked about the outlying Arab neighborhoods annexed to Jerusalem after Israel's victory in the 1967 Middle East War, more Israeli Jews were prepared to "seriously consider" transferring them to Palestinian sovereignty than rejected the idea outright.

Nearly all such compromise proposals fell short of majorities in the survey, and there was no significant support for what Palestinians frame as their basic negotiating demand: all of East Jerusalem, including the walled Old City, as the capital of an independent state. Even so, according to its generally dovish authors, the survey suggests a good deal more room for maneuver by the Israeli government, if the government wants it, than most analysts previously supposed.

"If there's anything this study can do, it can legitimize serious political discussions about Jerusalem," said one of its co-authors, Jerome Segal, who wrote a 1989 book arguing for a Palestinian state. "It can embolden political leadership."

Few surveys, if any, have delved as deeply into Israeli attitudes over Jerusalem. The authors of this one, Elihu Katz and Shlomit Levy of Israel's Guttman Institute and Mr. Segal of the University of Maryland, asked 100 questions in face-to-face interviews with 1,530 Israeli Jews between September 1995 and January 1996. The survey claims a margin of sampling error of 4 percent.

A major purpose of the study was to discover the connections between what Mr. Katz called "the mental map of the city" in the minds of Israeli Jews and the actual municipal boundaries drawn by the Israeli government after the 1967 war.

Few Israelis, it emerged, recalled that the government not only "reunified" the city after expelling Jordanian forces but expanded East Jerusalem roughly ten-fold, incorporating West Bank Arab villages such as Sur Baher, Um Tuba, Beit Safafa and the Shuafat refugee camp.

But the respondents knew clearly which parts of the city were Jewish and which Arab, and they valued them accordingly.

That result is not entirely surprising. For a decade now, since the *intifada*, or uprising, of 1987-93, West Jerusalem taxi drivers have been reluctant to drive to East Jerusalem's Arab neighborhoods, unmoved by the government's position that the entire city was Israel's "unified, eternal capital."

The new survey quantifies the extent to which Israeli Jews divide the city psychologically into "ours" and "not ours."

Of the 99 percent of those surveyed who said they had been to Jerusalem, 70 percent said they have never been to any of the Arab neighborhoods outside the Old City. Another 23 percent had been no more than "once" or "a few times," and a handful had never heard of the neighborhoods at all.

Mr. Katz, a leading authority on Israeli public opinion, said the survey identified three large blocs of Jewish adults — each about a fifth of the population — prepared to consider some degree of compromise on Jerusalem.

Only the most dovish group, 21 percent, supported the broad principle of "negotiations on Jerusalem within the peace process."

But twice that many respondents, 45 percent, said they would consider seriously or very seriously a proposal to "transfer to Palestinian sovereignty the Arab settlements and villages previously in the West Bank which are now within the borders of Jerusalem."

Support reached 59 percent for roughly the same proposal when it was framed as "redefining the city limits" to exclude Arab neighborhoods "in order to ensure a Jewish majority."

■ Arab Boy Kills One With Car

A 15-year-old Palestinian boy crashed a car into a bakery on Jerusalem's main shopping street Tuesday, killing one Israeli and injuring four, police and hospital officials said, according to an Associated Press report from Jerusalem.

Witnesses said the car headed from an alley across the street straight into the bakery at full speed. "I have no doubt that it was intentional," said Ovadia Haba, an employee at the bakery. The police, however, said they were checking whether the crash was an accident or an attack.

Israeli Demand Irks Palestinians

Reuters

JERUSALEM — Palestinian negotiators said Tuesday that an Israeli demand to delay by two years a promised troop pullback from West Bank areas was a key obstacle to a deal on handing over most of the city of Hebron to Palestinian self-rule.

Meanwhile, the U.S. Middle East peace envoy, Dennis Ross, renewed his efforts to mediate between Prime Minister Benjamin Netanyahu and the Palestinian leader, Yasser Arafat.

Mr. Netanyahu's communications director, David Bar-Ilan, said Israel and the Palestinians had agreed on most points but were wrangling over moves that would follow a pullout from Hebron. Mr. Bar-Ilan confirmed that Israel wanted to postpone until 1999 the last of three Israeli redeployments from occupied rural West Bank areas. Under a 1995 interim deal, these were to be completed by September 1997.

Mr. Bar-Ilan said Mr. Netanyahu, at a predawn meeting with Mr. Ross, proposed that Israel complete further West Bank pullouts by the spring of 1999, when the two sides are slated to complete "final status" peace negotiations. Palestinian officials assailed the proposal as a violation of timetables set under the original peace deal signed with Israel's previous government.

Army Bus Bomb In Lagos Kills 2 And Wounds 29

Reuters

LAGOS — A bomb blew up a Nigerian Army bus inside a military camp in Lagos on Tuesday, killing 2 soldiers and wounding 29 persons.

It was the third bombing against army targets in politically troubled Nigeria since December.

Witnesses said the bomb went off in a bus carrying soldiers in an army camp in the Surulere district of Lagos and that the area had been cordoned off by security authorities.

The state radio confirmed the deaths and the news agency NAN said that 27 soldiers and 2 civilians had been wounded.

The assistant police commissioner, Mohammed Biu, was quoted by the state news agency as having said that the pattern of the blast was similar to the two other explosions.

"We will try to find the people behind these explosions now that we can compare three different types in less than five weeks," Mr. Biu said.

The two bombs last month clearly targeted the military administrator of Lagos state, Colonel Mohammed Marwa, a close aide of the military ruler, General Sani Abacha.

Colonel Marwa was unhurt but about 20 soldiers were critically wounded in the two explosions.

No one has claimed responsibility for the blasts.

Some Bad News, Some Good, as Europe's Freeze Continues

Agence France-Presse

PARIS — As farmers, insurers and builders add up losses from more than two weeks of frost and snow across Europe, business is fine for plumbers, salt merchants and energy suppliers.

Consumers face soaring prices of fresh vegetables. The price of leeks has jumped more than fivefold at the Paris wholesale food market and vegetable soup has become almost a luxury dish. But farmers said there was no risk of a long-term shortage because once the thaw sets in, vegetables now in the fields would still be edible.

The frost, which affects the setting of concrete, has also plunged the building industry into difficulty although the French National Builders' Federation said the situation was "not dramatic."

In Germany, river navigation has been paralyzed, with more than half of the country's 7,300 kilometers (4,500 miles) of waterways iced over, in places a half-meter (20 inches) thick. Most of the 3,000 registered river boats are stranded in ports at a daily fee of 1,500 to 2,000 Deutsche marks ($1,000 to $1,300).

The Inter-Mutuelles Assistance, France's biggest assistance organization, has been receiving 2,000 to 2,500 calls for help a day — up to 70 percent more than normal. On Jan. 2, Mondial Assistance in France processed 80 percent more calls than usual, mainly from motorists in difficulty and for injuries caused by falls.

In Britain, insurers said payouts would at least equal the £500 million ($840 million) paid last year, mainly for damage caused by burst pipes.

But plumbers are working overtime, and business will increase when the expected thaw comes at the end of the week and water starts spurting from cracked pipes.

Suppliers of heating appliances and energy are having trouble keeping up with demand, and with the tons of salt needed on icy roads, the Mines de Potasse d'Alsace salt mines in eastern France have been working around the clock. Since the beginning of January, 500 trucks and three or four trains loaded with salt have left the mines daily, mainly for eastern and northern France. The Salins du Midi in southern France are just as busy.

Energy consumption in France, which dropped slightly around Christmas, has surged since the beginning of the year, and in Germany, energy consumption rose by 10 percent during the festive season.

TRAVEL UPDATE

Delta Is Set to Expand Trans-Atlantic Flights

NEW YORK (AFX) — Delta Air Lines said Tuesday it planned to add more flights to its trans-Atlantic routes by the end of June and to restructure its operations in Frankfurt. The carrier said it would discontinue its intra-Europe service from Frankfurt to six cities and stop trans-Atlantic service to Frankfurt from three U.S. cities.

Delta said it will add a daily Atlanta-to-Stuttgart flight and a second daily flight from Atlanta to Zurich. It added that it would increase services from JFK Airport in New York to six European cities. Delta said it would enhance its North Atlantic service by adding new nonstop service from JFK Airport to Istanbul, Madrid and Manchester.

More Alitalia Fare Cuts

ROME (AP) — Alitalia, the Italian national airline, plans another round of fare cuts, starting Saturday and running through March 23.

For example, a weekday flight between 10 A.M. and 3 P.M. between Rome and Milan would cost 288,000 lire ($185), instead of the normal fare of 471,000 ($310).

Windsor Castle Slated To Reopen Next Year

LONDON (Reuters) — Windsor Castle, ravaged by fire in 1992, is to reopen ahead of schedule at the start of next year, officials said Tuesday.

The final phase of a £38 million ($64 million) restoration project was launched when three giant oak columns were hoisted into place by crane in the castle's Octagon anteroom.

The Royal collection spokesman, Dickie Arbiter, said the castle would be open to the public again from the start of 1998. "With the help of good contractors and architects, we are able to finish ahead of schedule," he said.

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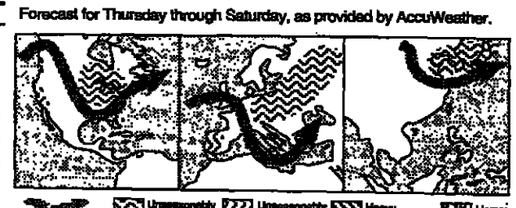
WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.



North America Cold air will cover areas from the Plains to the mid-Atlantic into this weekend with the core of the arctic air moving from the northern Plains to the Great Lakes by Saturday. Florida and the Deep Southeast will cool toward normal, while the West stays dry and rather mild.

Europe Eastern Europe and western Russia will remain cold into the weekend, while western Europe, including London, Paris and Amsterdam, gradually moderate toward normal. In fact, Spain and Portugal will become mild by the weekend. Italy and southeastern Europe will be wet with locally heavy rain possible.

Asia Unseasonably cold air will grip much of northeastern China, the Koreas and most of Japan into the weekend; however, the cold may ease a bit in northeastern China Saturday. Meanwhile, far southern Japan will be close to normal. It will be seasonable in Hong Kong and Southeast Asia.

Europe

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Algarve	14/57	11/52	c	15/59	11/52	sh
Amsterdam	-1/31	-4/25	po	2/35	0/32	c
Ancona	5/41	1/34	sh	5/41	-3/27	r
Athens	13/55	9/48	r	12/53	8/46	pc
Barcelona	7/44	6/43	r	11/52	6/43	sh
Belgrade	0/32	-3/27	sn	3/37	-3/29	c
Berlin	-1/31	-4/25	s	-1/31	-3/27	pc
Brussels	0/32	-2/29	pc	3/37	1/34	c
Budapest	1/34	-3/27	pc	1/34	-4/25	pc
Copenhagen	1/34	-3/27	pc	1/34	-3/27	s
Costa Del Sol	14/57	11/52	sh	15/59	9/48	r
Dublin	3/37	-1/31	s	4/39	3/37	c
Edinburgh	2/35	-2/29	pc	3/37	1/34	c
Florence	8/48	2/35	c	6/43	4/39	r
Frankfurt	-1/31	-5/22	s	-1/31	-4/25	pc
Geneva	4/39	0/32	c	3/37	-1/31	sn
Helsinki	-9/22	-12/11	sn	-5/24	-9/16	pc
Istanbul	12/53	9/48	r	9/48	3/37	r
Las Palmas	21/70	17/62	pc	21/70	16/61	s
Lisbon	12/53	11/52	sh	13/55	12/53	c
London	3/37	2/35	pc	5/41	3/37	c
Madrid	7/44	3/37	sh	9/48	4/39	sh
Mallorca	7/44	6/43	r	8/48	7/44	sh
Milan	3/37	-2/29	c	1/34	-1/31	sn
Moscow	-9/16	-11/13	sl	-9/16	-13/9	c
Munich	4/39	-4/25	pc	3/37	-4/25	c
Nice	9/48	8/46	sh	9/48	7/44	r
Oslo	-7/20	-13/9	pc	-3/27	-7/20	pc
Paris	1/34	-3/27	sn	4/39	1/34	sh
Prague	1/34	-4/25	pc	1/34	-4/25	pc
Reykjavik	3/37	-2/29	c	1/34	-3/27	c
Rome	13/55	6/43	pc	11/52	7/44	r
St. Petersburg	-8/18	-14/7	c	-9/16	-8/18	pc
Stockholm	-4/25	-9/16	pc	2/29	-5/22	pc
Strasbourg	4/39	0/32	c	4/39	1/34	c
Tallinn	-7/20	-13/11	sn	-5/24	-7/20	pc
Venice	4/39	-3/27	c	3/37	0/32	sn
Vienna	2/35	-3/27	c	2/35	-3/27	pc
Warsaw	-3/27	-8/18	s	-3/27	-6/22	pc
Zurich	3/37	-1/31	c	3/37	1/34	sn

Middle East

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Abu Dhabi	22/71	12/53	s	23/73	13/55	s
Beirut	23/73	17/62	s	22/71	13/55	pc
Cairo	26/79	16/61	pc	24/75	12/53	s
Damascus	20/68	6/43	s	19/66	6/43	pc
Jerusalem	18/64	10/50	s	18/64	7/44	pc
Luxor	28/79	13/55	pc	29/82	12/53	s
Riyadh	32/71	9/48	pc	32/71	9/48	c

North America

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Anchorage	-1/64	-1/90	s	-4/25	-4/25	sl
Atlanta	6/43	2/35	sh	6/43	-5/29	c
Boston	1/34	-3/27	s	2/35	-4/25	pc
Chicago	-2/29	-6/18	s	-4/25	-14/7	sn
Dallas	-2/29	-7/20	sn	5/43	-4/25	pc
Denver	3/39	-5/18	s	0/32	-15/5	pc
Detroit	-1/31	-5/18	s	-2/29	-10/15	sl
Honolulu	27/80	18/64	s	27/80	18/64	pc
Houston	9/43	0/32	r	10/50	1/34	pc
Los Angeles	20/68	8/43	s	21/70	7/44	s
Miami	27/80	21/70	pc	27/80	16/61	pc
Minneapolis	-4/25	-9/16	c	-9/16	-18/0	sl
Montreal	-12/11	-13/8	sn	-9/22	-14/7	pc
Nassau	27/80	18/64	pc	27/80	18/64	pc
New York	2/35	-3/27	s	2/35	-9/27	sn
Orlando	28/79	17/62	pc	22/71	10/50	c
Phoenix	14/57	3/37	s	16/61	7/44	s
San Fran.	16/61	6/43	s	16/61	7/44	pc
Seattle	8/46	4/39	c	9/48	4/39	pc
Toronto	-3/27	-11/13	pc	-5/24	-13/9	pc
Vancouver	7/44	6/43	sh	8/46	7/44	pc
Washington	6/43	-2/29	pc	4/39	-2/29	sn

Asia

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Bali	33/91	22/71	pc	33/91	22/71	pc
Bangkok	31/88	19/66	pc	27/80	17/62	pc
Beijing	-1/31	-7/20	pc	1/34	-4/25	c
Bombay	27/80	13/55	s	27/80	14/57	s
Calcutta	23/73	11/52	s	23/73	10/50	s
Chiang Mai	32/89	18/61	pc	29/82	18/61	pc
Colombo	29/84	22/71	s	29/84	22/71	pc
Hanoi	20/68	13/55	pc	21/70	12/53	pc
Ho Chi Minh	29/89	21/70	pc	31/88	21/70	pc
Hong Kong	18/64	12/53	pc	18/64	11/52	pc
Islamabad	18/64	1/34	s	19/66	2/35	s
Jakarta	29/84	24/75	t	29/84	23/73	t
Karachi	25/77	7/44	s	24/75	9/48	s
K. Lumpur	32/89	21/70	pc	30/86	22/71	pc
K. Kinabalu	30/86	20/70	pc	29/84	20/73	pc
Manila	29/84	21/70	sh	29/84	20/68	sh
New Delhi	22/71	6/43	s	22/71	2/35	s
Phnom Penh	31/88	19/66	pc	29/84	21/70	pc
Phuket	31/88	18/64	pc	22/80	17/62	pc
Pyongyang	31/88	19/66	pc	27/80	12/62	pc
Seoul	-1/31	-3/18	s	1/34	-4/22	pc
Shanghai	4/39	1/34	pc	5/41	-1/31	c
Singapore	31/88	25/79	pc	30/86	24/75	pc
Taipei	15/59	12/53	sh	19/61	13/55	sh
Tokyo	9/48	1/34	pc	8/43	-2/29	s
Wanlaire	20/68	14/57	pc	19/66	12/53	pc

Africa

Algiers	17/62	8/46	t	14/57	7/44	r
Cape Town	23/73	11/52	pc	18/64	10/53	pc
Casablanca	14/57	11/52	sh	15/61	11/52	sh
Harare	29/84	10/50	s	29/84	10/50	s
Lagos	32/89	23/73	pc	29/84	22/71	pc
Nairobi	25/82	12/53	pc	29/84	13/55	pc
Tunis	13/59	8/48	pc	14/57	9/48	c

Latin America

Buenos Aires	31/88	19/66	pc	32/89	19/66	s
Caracas	26/82	22/71	pc	29/84	22/71	pc
Lima	27/80	20/68	pc	27/80	20/68	pc
Mexico City	18/64	5/41	pc	18/64	4/39	pc
Rio de Janeiro	29/84	21/70	pc	27/80	21/70	pc
Santiago	30/86	13/55	s	32/89	15/59	s

Oceania

Auckland	22/71	16/61	pc	22/71	16/61	pc
Sydney	22/71	16/61	pc	23/73	17/62	pc

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

When Diplomatic Immunity and Outrage Collide

By Steven Erlanger
New York Times Service

WASHINGTON — Responding to a public furor about the conduct of foreign diplomats in the United States after the death of a teenage girl in Washington and an altercation with police officers in New York City, American officials have defended the concept of diplomatic immunity. But they said that the United States would pursue lifting immunity for anyone charged with serious offenses.

The officials said requests for such immunity were normally granted only in minor cases, like shoplifting. But they could think of no case since 1989 in which a government has waived immunity in a circumstance as serious as the Washington case, in which a diplomat from the former Soviet republic of Georgia, who the police say was drunk and speeding, was involved in an accident that killed Joviane Waltrick, 16, of Kensington, Maryland.

Almost invariably, the officials said, diplomats in such cases are called home by their governments, or expelled by the host government, and do not face criminal charges.

But some officials expressed the hope that the Georgian president, Eduard Shevardnadze, who has close ties to the United States and who has already written a letter of condolence to the Waltrick family, would waive the immunity of his second-ranking diplomat here, Gueorgui Makharadze, who was driving the car.

Michael McCurry, the presidential spokesman, said Monday that Mr. Shevardnadze was looking for a "satisfactory" resolution and that "good consultations are under way with the government of Georgia."

Mr. Shevardnadze, in his letter, wrote that the diplomat "must bear responsibility for the tragic incident in accordance with norms." But a senior Clinton administration official said it was not clear that the Georgians had focused on how serious the charges against Mr. Makharadze were likely to be.

Serious cases themselves involving diplomats are relatively rare, State Department officials said, with about 10 to 15 cases a year that are nearly all questions of shoplifting or drunken driving, and usually involve the dependents of diplomats. In about half of those cases, immunity is waived and fines are paid.

An official said it was not clear the Georgians had focused on how serious the charges were likely to be.

In 1989, when a staff member of the Belgian Embassy was charged with homicide, immunity was waived, but the defendant was judged mentally ill.

But the New York case has become in some ways more politically charged. In that incident, a Russian and a Belarussian diplomat accredited to the United Nations fought with police officers trying to ticket their car near a fire hydrant. The Russian government has protested to Washington about the actions of the New York City police, saying they dragged the diplomats from the car and broke the arm of the Russian.

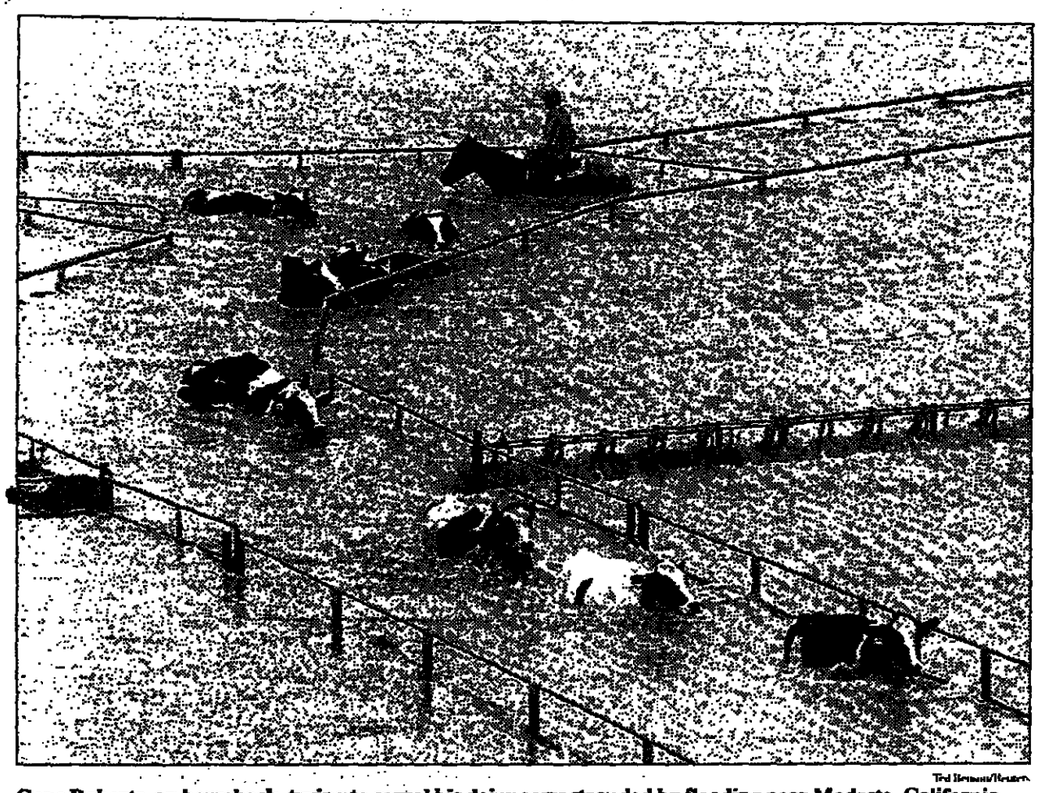
On Sunday, Alexander Sychou, the permanent representative of Belarus to the United Nations, sent a letter to Mayor Rudolph Giuliani ignoring the mayor's demand to remove the diplomat. He also said he expected from the United States "a thorough investigation of the incident, official explanations and apologies" as well as "disciplinary action against the culprits," namely the two police officers involved in the incident.

Mr. Giuliani, in a letter mailed Monday, responded tersely that seven witnesses had come forward to support the officers' account of what happened, and he praised the officers for averting "any potential tragedy on our city's streets."

Speaking of the Washington incident, Henrik Liljegren, the Swedish ambassador to the United States, said that his country was strict in respecting the immunity of accredited foreign diplomats but also held Swedish diplomats to strict standards of behavior in their host countries. In principle, he said, Swedish diplomats believed guilty of serious offenses, including drunken driving, are recalled home and "face punishment at home according to Swedish law."

Mr. Liljegren remembered a case in Stockholm when a drunken diplomat refused to leave his car at the request of the police, who wanted to drive him home. Instead, they towed him home in his car. "Respecting his immunity on the one hand, but wanting to protect Swedish citizens on the other, they towed him home in his car and we asked him to leave Sweden," he said.

In a recent case in France, a Zairian diplomat was accused of killing two youths while speeding to a meeting with President Mobutu Sese Seko at his residence on the Riviera. French officials demanded that his immunity be lifted to allow prosecution, but Zaire refused, and the diplomat left the country.



Ted Richards/Reuters

Gene Roberts, on horseback, trying to corral his dairy cows stranded by flooding near Modesto, California.

Flood Damage: $775 Million and Rising

Reuters

SAN FRANCISCO — The floods in California this month are among the costliest in the state's history, with the initial bill for storm damage in just nine counties estimated at $775 million, state officials said.

The state's first official estimate of flood damage was issued Tuesday as several parts of California were still under water and as officials were keeping a close watch on fragile levees.

The California Office of Emergency Services said losses totaled $775 million in the nine California counties and one city that had reported initial damage figures from 10 days of storms and floods.

That is less than a quarter of the 41 counties where a state of emergency has been declared by California's governor, Pete Wilson.

Many of the Central Valley counties hardest hit by the floods have yet to report, and a spokesman for the emergency services office said the total "definitely will rise."

Idaho, Nevada, Oregon and Washington have also suffered widespread damage from floods and landslides, and at least 20 people have been killed in the region.

The weather was dry in northern California on Tuesday, and rivers were receding in some areas.

Tens of thousands of evacuees were allowed to return to their homes in Yuba City and Marysville, near Sacramento, over the weekend, and only about 3,800 people remained in 25 shelters, officials said.

But hundreds of homes and thousands of acres of farmland remained submerged in Yuba and Sutter counties north of Sacramento and in the Modesto area in the state's fertile Central Valley.

■ Storms Sweep Southwest

Snow and ice shut down parts of the Southwest on Tuesday, stranding hundreds of travelers along closed highways across southern Arizona and New Mexico and turning deserts white with snow, The Associated Press reported.

Up to three feet (about a meter) of snow fell in the mountains of New Mexico, and Tucson, Arizona, got its first snow in almost six years. Snow also coated grassy areas as far east as Dallas.

Interstate 10 was closed Tuesday for more than 200 miles (320 kilometers) across southeastern Arizona and southwestern New Mexico to the Texas state line, and 130 miles of north-south I-25 was shut down in southern New Mexico.

Rights Role Seen As Gaining at State

Albright Could Strengthen Policy

By Steven Erlanger
New York Times Service

WASHINGTON — When he was elected four years ago, President Bill Clinton promised to be a human-rights president and refuse to "coddle dictators."

As a sign of that intention he named John Shattuck, who had a background as a top official at Amnesty International and the American Civil Liberties Union, as the State Department's point man for the promotion of human rights abroad.

But the human rights record of the first Clinton term was mixed. Mr. Clinton's reluctance to get tough on the abuses of big trading partners like China, Saudi Arabia, Nigeria and Indonesia left rights advocates frustrated, even as they applauded the administration's encouragement of democracy in places like Haiti and Bosnia.

Many proponents of human rights agreed with Aryeh Neier, president of a private foundation called the Open Society Institute, who said that Mr. Clinton had embraced a new post-Cold War double standard: Before, Washington excused repressive anti-Communist allies while attacking the ample abuses of Communist countries. Today, he notes, the new dividing lines are trade and security.

Now, the prospect of a more outspoken and forceful human rights advocate in Madeleine Albright, the secretary of state-designate whose Senate confirmation hearings begin Wednesday, has heartened human rights lobbyists.

It has also raised the prospects, officials say, that the often disheartened Mr. Shattuck will stay for a second term and play a more central part in foreign policy.

Human rights advocates expect to have a strong ally in Mrs. Albright, whose confirmation is a virtual certainty. She is expected to be "more willing to excoriate dictators as dictators," said Thomas Carothers, a senior associate at the Carnegie Endowment. A former refugee from Nazism and Communism, she believes in the power of the American example.

By the standards of human rights advocates, Mr. Clinton had notable, if fragile, achievements in Haiti, where U.S. troops overthrew a military dictatorship and restored an elected president, and in Bosnia, where belated but robust intervention ended the fighting and imposed a peace that at least gives democracy a chance.

But more often, Mr. Shattuck found himself forced into a sort of "human-rights ghetto" in a larger State Department bureaucracy, and lost many arguments to powerful advocates for trade and jobs in the Commerce and Treasury departments or because of Pentagon concerns.

Perhaps the biggest disappointment of human rights proponents is China. The president flip-flopped on policy, first insisting that China's trade privileges be tied to its human rights record, and then changing his mind. The decision undermined his credibility with Beijing, and China's rights record worsened, if anything, as it rearrested political opponents and tried to stamp out dissent.

Critics accuse the administration of abandoning its moral goals in the face of pressure from American businesses and hot rhetoric from the Chinese.

In general, officials acknowledge, human-rights concerns under Mr. Clinton have had a bigger effect on policy in smaller, more obscure countries like Burma than in places like China, Russia, or Saudi Arabia, where moral issues were subordinated to security, trade, and economic concerns.

But better than others before him, even critics agree, Mr. Shattuck, 53, has pushed back. He says he has had to learn to fight his corner, seeking allies and biding his time, even within the State Department itself.

He has had some institutional successes, enlarging the area in which he can operate. Human rights records can now be used as criteria for granting countries loans and aid.

In the former Yugoslavia, Mr. Shattuck sees an important change in a re-elected administration's willingness both to confront President Slobodan Milosevic of Serbia over election fraud and to consider more seriously, officials assert, using the military to hunt down war criminals in Bosnia.

Adrian Karatnycky, president of Freedom House, which monitors democracy and human rights worldwide, said: "China is the one great counter-example and an important one. But in Haiti, Bosnia, Burma, and now in Serbia, there's a decent and credible record. This is an activist administration that looks for opportunities to press things in the right direction, when we can exert influence and lend our voice to ongoing events, like Serbia."

While acknowledging that human rights have often taken a back seat, senior government officials say there are strong arguments that countries like Saudi Arabia and Russia may be too fragile to weaken further by making human rights an overriding priority, outweighing America's thirst for oil, regional security or, as in Russia's case, the prospects for democracy itself.

AMERICAN TOPICS

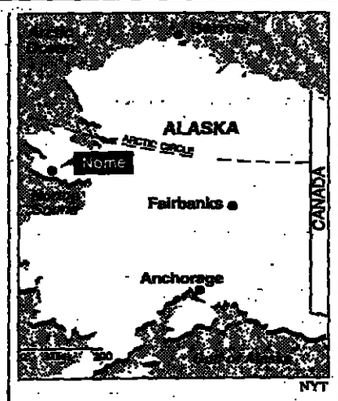
Want to Build a Reef? Call Out the U.S. Navy

The latest foray by the navy's A-6 Intruder attack jets is no unwelcome intrusion at all. A squadron of the retired jets — veterans of the Vietnam War and the Gulf War, much loved by navy pilots for their sturdy reliability — has been deposited in the ocean off northeast Florida to build a habitat for fish.

In its latest version, the A-6E, the plane is the navy's most accurate and longest-range attack craft with both conventional and nuclear capabilities, reports the Smithsonian's Air & Space magazine. But maintenance and update were becoming unduly costly.

When the Intruder program was canceled, six of the planes were sent to museums and a few others went to naval bases to be mounted on poles as "gate guards." But that barely made a dent in the pile of planes awaiting destruction at the Northrop Grumman plant in St. Augustine, Florida.

Then Steve Blalock, a Grumman production manager, hatched a plan. As a diver, he knew that some of the best fishing off the Florida coast was around artificial reefs of concrete rubble that have been deposited on what otherwise is a largely featureless ocean bottom; but that rubble, sought by recyclers onshore, has become expensive. He also knew that the wrecks of military planes that had crashed into area waters harbored excellent fishing,



NYT

apparently because fish were attracted to the aluminum.

The navy and state environmental authorities quickly approved plans to build a reef using decontaminated and demilitarized Intruders, and the reef was constructed in mid-1995. Now fish like the amberjack, the king mackerel and others inhabit the site in great numbers. So far, however, no pilot fish have been spotted.

Short Takes

The people of Nome, Alaska, have a rather special recycling project of their own. After the year-end holidays, residents of the windswept town on Norton Sound haul their trees out onto the frozen sea, planting each one in a hole bored into the ice. That creates a temporary "forest" — odd, but appreciated in this area, where permafrost keeps most trees from taking root. While the forest is there, pet owners walk their dogs through it and elementary school classes make it the object of field trips. Before the ice breaks up in springtime, high school students salvage branches to be placed in streams as cover for newly hatched salmon.

Deep under New York City, work proceeds on one of the biggest engineering projects of the century: a mammoth water tunnel, 64 miles (100 kilometers) long, 10 to 24 feet (3 to 7.2 meters) in diameter and up to 800 feet underground. Called the Third Tunnel, it is being built to supplement the city's two existing water tunnels, which are already operating beyond their expected capacity. Construction has been under way since 1970 and is not expected to end before 2015. Twenty-one men have died building it, many in the days before the use of explosives was replaced by the work of giant, steel-bladed boring machines. The tunnel may already be familiar to moviegoers. In "Die Hard With a Vengeance," robbers drove trucks full of Federal Reserve gold through it.

In the latest bow to political correctness, and to guests complaints, designers at the Disneyland theme park in California are adapting the popular Pirates of the Caribbean ride to take a bit of the gleam out of the buccaneers' eyes. Though they will still pillage when the ride reopens in March, they will no longer lustily chase women — well, not exactly. They will still run after women, but the women will now carry trays of food, reports the Los Angeles Times. Disneyland, it notes, has apparently decided that gluttony ranks below lust.

International Herald Tribune

Gulf War Study Extended

The Associated Press

WASHINGTON — President Bill Clinton on Tuesday instructed a commission he appointed to keep looking for a cause for mysterious illnesses afflicting Gulf War veterans. "We don't have all the answers," he said.

The Presidential Advisory Committee on Gulf War Veterans' Illnesses was set to expire after issuing a final report Tuesday that attributes the sicknesses in part to the physical and psychological stresses of war.

Mr. Clinton extended the commission's mandate for nine months after receiving the report.

POLITICAL NOTES

Think Tank Would Toss Cabinet Onto History's Rubbish Heap

WASHINGTON — If you're worried that all the recent talk about détente between a newly huggable Congress and a touchy-feely White House means that the conservative revolution is taking a vacation, relax. They're still out there.

In a couple of days, the Heritage Foundation will release "Mandate for Leadership IV: Turning Ideas into Actions," a 760-page tome that, among other things, aims to get rid of most of the federal government.

Don't look for ideological corner-cutting here. Heritage, true to its doctrinaire traditions, is pretty clear on what it wants: "We could not justify keeping more than five Cabinet departments," said a Heritage spokesman, Herb Berkowitz. Clear enough, Herb.

The lucky five are State, Defense, Treasury, Justice and Health and Human Services. The rest should be disappeared — merged with the survivors, bunched with other agencies that do the same thing, or, as Trotsky wished, simply tossed onto history's garbage heap.

The Heritage approach, a haunting echo of the House Republican agenda of 1995, was not on the menu Tuesday, when the new "pragmatic" Congress took office to seek allegedly bipartisan, compromise solutions.

But Mr. Berkowitz said that Heritage had heard "the songs being sung by White House and the conservative Congress" and decided that its time had come. In other words, the Clinton administration appears to be moving right. *(Guy Gugliotta, WP)*

Clinton to Strike Up the Bands

WASHINGTON — A little bit country, a little bit rock-and-roll. And gospel, folk and Broadway. This year's Presidential Gala, the celebrity salute to President Bill Clinton on Jan. 19, is shaping up to be another star-studded traffic jam.

Inaugural organizers confirm that Michael Douglas, Whoopi Goldberg and Candice Bergen will serve as co-hosts for the two-hour show at USAir Arena. Stevie Wonder, Trisha Yearwood, Kenny Rogers, Aretha Franklin, James Taylor, Bernadette Peters and Sandi Patti will sing. Mikhail Baryshnikov will dance. Kenny G, Yo-Yo Ma and the Dave Matthews Band will perform, along with the cast of the Broadway musicals "Chicago" and "Bring In 'da Noise, Bring In 'da Funk."

The bad news is that only 11,000 of the president's supporters can buy a ticket for the Inauguration Eve performance. The good news is that the show will be broadcast on CBS later that night. *(WP)*

Planning to Miss a Deadline

WASHINGTON — Mr. Clinton may wait until a week after the legal Feb. 3 deadline before sending Congress his annual budget, according to White House aides.

The administration's number-crunchers expect to have their work done in plenty of time. It's the White House's image crafters who are stalling.

They don't want to make the fiscal 1998 budget public until after Mr. Clinton has delivered the State of the Union address, tentatively scheduled for Feb. 5. *(WP)*

Quote/Unquote

Steve Blum, a doorman at the Willard Inter-Continental Hotel in Washington, on Inauguration Day: "To be politically correct, it doesn't matter if it's an inauguration for Democrats or Republicans. But to be honest, the Republicans are much better tippers." *(WP)*

Away From Politics

• **Mattel Inc. is withdrawing its Cabbage Patch doll** that mimics eating, and is offering consumers $40 refunds in response to about 100 reports of children getting hair and fingers caught in the doll's battery-powered mouth. The doll has no on-off switch. *(AP)*

• **Tugboats pulled the Brightfield freighter** away from the hotel and mall in New Orleans that it smashed into a month ago, moving it downriver for repairs. *(AP)*

• **FBI agents found 17 pieces of jewelry,** in a safe deposit box rented by Earl Edwin Pitts, a former FBI agent accused of trying to sell secrets to Moscow. Agents who conducted searches two days after Mr. Pitts was arrested Dec. 18 also found numerous articles and books about other espionage cases in Mr. Pitts's office, as well as materials on how to conduct an insanity defense, according to affidavits filed in a U.S. District Court in Alexandria, Virginia. *(WP)*

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INTERNATIONAL

New Dominican Regime Pushes Slums Out of Poverty

By Larry Rohter
New York Times Service

SANTO DOMINGO, Dominican Republic — Of all the public works projects Joaquin Balaguer Ricardo dedicated during 22 years as president, none meant more to him than the colossal monument to Christopher Columbus that dominates the skyline of this Caribbean capital.

But one thing always rankled: the view westward from the 10-story, $70-million tower takes in one of the city's poorest slums.

So to rid himself of that eyesore, Mr. Balaguer sought for five years, through legal sleight of hand and intimidation, to drive residents of the Cienega and Guandules settlements from their humble dwellings on the banks of the Ozama River.

Today, both barrios are still intact, while the 90-year-old strongman left office in mid-August, replaced by a government that has quickly proved sympathetic to the residents.

For their part, the 65,000 inhabitants of the slum can scarcely believe that they have made a dent in the authoritarian structure set up during the 30-year dictatorship of Mr. Balaguer's mentor, Rafael Trujillo. Hardened by decades of official deviousness and corruption, they seem surprised, even amazed, to find government working in their behalf.

"We knew that nothing would ever change with the old regime, that we just had to tough it out," said Tomas Villaman Gonzalez, principal of the Virgen del Carmen elementary school in the heart of La Cienega. "But now life is finally improving, and we have hope for the future."

The struggle began in September 1991, more than a year before the dedication of the Columbus monument, when Mr. Balaguer signed a decree declaring the neighborhoods "inappropriate for residential purposes."

Hardened by decades of official deviousness and corruption, the inhabitants of the slums seem surprised, even amazed, to find the government working in their behalf.

Rather than risk the outright resistance and damage to his political image that would accompany any mass expulsion, he included a provision declaring it illegal to make any improvement to the 13,000 existing houses.

As residents quickly discovered, that meant they could no longer bring in cement, corrugated metal, lumber, nails, or cinder blocks to repair or expand their makeshift abodes. Their dismay grew when they found that they were also not allowed to replace whatever television sets, refrigerators, fans, stoves and other appliances they had.

To enforce the edict, Mr. Balaguer ordered sailors from a nearby naval base to seal both ends of the slum, inspect all vehicles entering the community and seize all prohibited material. But it was not long before the heavily armed guards were demanding bribes from the poor residents in return for overlooking violations.

"They wouldn't let even a plate or a nail come in without demanding some kind of payoff," said Jorge Brito, a 22-year-old student. He said the "standard toll" was 30 pesos ($3) a trip, "but you could have to pay up to triple that, depending on the size of the stuff you were trying to bring in."

To encourage people further to leave "voluntarily," the decree also promised to provide for the "relocation" of residents to government-built projects. But that offer was extended only to "those who qualify through their education, standard of living and social habits," a formulation that community leaders saw as a trick to dump them on the outskirts of the capital without homes.

Barely a month after Leonel Fernandez was sworn in as the country's president on Aug. 16, community groups organized a protest outside the National Palace to publicize their plight. To their surprise, they were not driven away by the police but invited into the main salon to meet with the president, who listened to their complaints and signed a new decree that same day revoking Mr. Balaguer's edict and ordering the military to withdraw.

In addition, Mr. Fernandez, 43, pledged that his government would pave the slum's main street and build a new school. If residents could agree on what other projects were needed, he told them, he would be willing to consider some of those as well.

Since the palace meeting, Mr. Fernandez has twice gone to La Cienega to check on the progress of the improvements he promised.

"This is a very new and different way of doing things, and it is really quite astonishing for us," said Mr. Villaman, the school principal, who has been designated to be the intermediary with the government. "We are going about this with our eyes still open, but expectations are high, because not since the time of Trujillo have people here been able to breathe."

In a recent interview at the presidential palace, Mr. Fernandez would not criticize his predecessor's original decree, saying merely that "it was done with good intentions." But he said that it was his aim to make La Cienega and Los Guandules "a little model of what a poor barrio can be."

Predawn Gunfire Heard At Hostage Site in Lima

The Associated Press

LIMA — Gunfire was heard before dawn Tuesday at the Japanese ambassador's residence where Peruvian terrorists have been holding 74 hostages for three weeks.

The police said that the sounds appeared to be automatic weapon fire but that they had no reports of injuries.

Peruvian television using night vision cameras showed a man, apparently a rebel without a bandana on his face, running in the compound yard with an assault rifle.

The shots were heard immediately afterward.

It was the second time since the standoff began Dec. 17 that there has been a detonation inside the compound. On Dec. 26, an explosion was attributed to one of the ambassador's two dogs, which tripped a land mine and was killed.

The terrorists have said they have mined approaches to the residence, which they took over during a gala cocktail party.

Chances for a dialogue that would end the hostage crisis appear to be fading since the government choked off all official information and prevented rebel contact with the outside.

The government's chief negotiator, who has met with the terrorists only once since they took over the residence, told El Comercio newspaper that the government would not meet them again without a "clear sign" that the rebels want dialogue.

Each side is blaming the other for the lack of progress.

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EUROPE

To Berlin Spy, Trial Is 'Victor's Justice'

By Alan Cowell
New York Times Service

DUESSELDORF — Playing out a battle left over from the Cold War, state prosecutors on Tuesday accused East Germany's former espionage chief of kidnapping, coercion and causing bodily harm on the first day of a trial that the old spy likened to "victor's justice."

The charges against Markus Wolf, 73, who foxed the West for three decades and was nicknamed "*the man without a face*," represent a second effort to prosecute him following a Supreme Court ruling in 1995 that quashed a six-year jail term he had been ordered to serve following a 1993 conviction for treason.

Since Germany's reunification, Mr. Wolf has repeatedly argued that he committed no crimes under East German law as he pursued often-successful efforts to infiltrate agents in the West.

"Neither the constitution nor the laws of the country I served were violated," he again insisted Tuesday, denying the charges against him and accusing German state prosecutors of seeking to place the East German intelligence machinery "on a par with common criminals."

"I declare myself to be not guilty," he said.

The trial has stirred feelings among some Germans that the prosecutors are behaving vindictively toward Mr. Wolf, particularly since the 1995 ruling by the Supreme Court had already established that the East German intelligence leadership may not be punished for espionage activities carried out under orders from East Berlin.

Mr. Wolf has sought to exploit that sentiment in pretrial interviews. "The winners of the Cold War are behaving like bad losers," he told Der Spiegel magazine in an interview published Monday.

"The impression remains that the victors of German unity are not concerned about reconciliation but about vengeance and score-settling," he said.

Since the 1995 Supreme Court ruling protected Mr. Wolf from treason charges, state prosecutors have reached into his past for alleged criminal acts not covered under East German law by the same statute of limitations as in the Western German criminal code.

Thus, they have accused him on three counts in 1955, 1959 and 1962 of ordering kidnappings in low-grade operations.

Mr. Wolf's better-known coups include the infiltration of a spy into the office of Willy Brandt, the former West German chancellor, and the placing of a high-ranking agent at the headquarters of the North Atlantic Treaty Organization.

The discovery of the spy in Mr. Brandt's office, Guenter Guillaume, brought down the West German government in 1974, cementing the reputation of East German intelligence as one of the most corrosive influences in West Germany.

Mr. Wolf, a former general in the East German state security apparatus, sought to belittle the latest charges against him.

"Despite their greatest efforts, the accusers have been able to produce nothing beyond what was commonplace for all intelligence services," Mr. Wolf said Tuesday.

"If this trial was really about the accusations, then virtually every operative of intelligence agencies in the East and West could be sitting here in the dock with me," Mr. Wolf said, calling the trial a "political process."

The state prosecutor, Joachim Lampe, said that, in the first of the three charges against him, Mr. Wolf ordered the abduction in 1955 of Christa Trapp, a secretary working for U.S. authorities in West Berlin. She was released a day later after refusing to spy on her American employers and returned to West Berlin.

In 1959, Mr. Lampe said, Mr. Wolf ordered the arrest of a typesetter, Georg Angerer, who had been in exile with Mr. Brandt in Norway during World War II. He was held for more than six months while East German interrogators pressed him to denounce Mr. Brandt — at that time the mayor of West Berlin — as a Nazi collaborator.

Mr. Wolf is also accused of involvement the 1962 kidnapping in Austria of Walter Thraene, an East German defector who subsequently spent 10 years in an East German prison.

Martin Gerner/Agence France-Presse
Markus Wolf, the East German spy chief, arriving in court Tuesday.

Mr. Wolf defended himself against the first charge by saying that, while he had no recollection of it, abductions of potential agents were common in the Berlin of the 1950s and were practiced by both Eastern and Western intelligence services.

He sought to explain the interrogation of Mr. Angerer by saying it reflected the "legitimate task" of uncovering former Nazi sympathizers.

He said the alleged abduction of Mr. Thraene was beyond his competence and had been ordered by a higher authority.

Swiss Offer Dormant Funds As Holocaust Compensation

By Alan Cowell
New York Times Service

BONN — Seeking to defuse the deepening crisis over its financial dealings during the Nazi era, the Swiss government offered Tuesday to use money from unclaimed bank accounts dating from World War II to set up a fund "in favor of Holocaust victims and their descendants."

But the offer failed to deflect a tide of Jewish anger over recent remarks by a high Swiss official who called Jewish demands for compensation from Switzerland "extortion and blackmail." Jewish groups had demanded an apology for the remarks by Jean-Pascal Delamuraz, now economics minister, but the government statement offering to set up a Holocaust memorial fund made no reference to an apology.

The confrontation between Switzerland and Jewish groups in the United States and Israel has been building since last year, fueled by assertions that Swiss banks profited from wartime dealings in Nazi gold and subsequently hoarded bank deposits belonging to Jews who perished in the Holocaust.

But in recent days, the conflict has assumed ever more somber overtones for Switzerland with talk among Jewish groups of an organized boycott of Swiss banks and the first tangible indications of financial repercussions yesterday, when Swiss bank shares dipped in stock market trading.

The seven ministers in Switzerland's Federal Council issued a statement Tuesday saying the 40 million Swiss francs, or $29.5 million, discovered so far in dormant accounts should be "put to proper use."

"In this respect, the Federal Council is ready to immediately take up discussions with the banks and the interested organizations regarding the creation of a fund in favor of Holocaust victims and their descendants," the statement said.

The developments in Bern, the Swiss capital, elicited an angry response from Avraham Burg, the chairman of the Jewish Agency in Jerusalem, who is supposed to be part of an investigative panel to search for funds belonging to Holocaust victims in Swiss accounts.

"The Swiss are again playing with words, attacking marginal issues and ignoring the central issues," an aide quoted Mr Burg as saying. "They're trying to buy us with money that's not theirs."

After meeting Swiss officials in Jerusalem, moreover, Mr. Burg said a decision would be reached within four weeks on whether to urge a boycott of dealings with Swiss banks.

Branson Team Lifts Off On Global Balloon Effort

Reuters

MARRAKESH, Morocco — Richard Branson and two co-pilots soared slowly aloft Tuesday in a giant balloon, hoping to be the first balloonists to circle the globe.

He and his colleagues, Per Lindstrand, 48, and Alex Ritchie, 50, lifted off at 11:19 A.M. from an air base near this ancient city. "We are now going on a great adventure," Mr. Branson said before climbing into the capsule beneath the nearly 12-story high balloon. He waved as the 1.1 million cubic foot (30,000 cubic meter) balloon, filled with hot air and helium, rose against the snow-capped Atlas Mountains.

The capsule of the Virgin Global Challenger is fitted with two beds, a half-ton of food, a microwave oven, and complex communications equipment. The team plans to cross North Africa, Saudi Arabia and India, the South China Sea, the Pacific and the United States, and land in Britain in 14 to 21 days.

Mr. Branson, the flamboyant 46-year-old head of the Virgin companies, is not only battling the elements but also racing against the American balloonist Steve Fosset who is planning a similar round-the-world attempt, launched from Switzerland.

BRIEFLY EUROPE

Leader Nominated in Bulgaria

SOFIA — The governing Socialist Party nominated the interior minister, Nikolai Dobrev, Tuesday to head the ninth Bulgarian government since the end of one-party rule in 1989. If his nomination as prime minister is approved by Parliament, Mr. Dobrev, 49, will form a cabinet to confront the country's economic crisis. Zhan Videnov quit as prime minster and party leader Dec. 21.

Meanwhile, the opposition Union of Democratic Forces said Tuesday it was stepping up anti-government protests in its call for early parliamentary elections. *(Reuters)*

Bosnian Hijacks Austrian Plane

BERLIN — A Bosnian hijacker held a knife to the throat of an Austrian Airlines pilot Tuesday, forcing the plane to land in Berlin.

During negotiations, a policeman sneaked in the back of the plane and shoved the hijacker out an open door. The hijacker, 39, was then arrested. None of the 28 passengers or five crew members on the flight bound for Vienna was injured, said Walter Bock, the airline's chief pilot.

The hijacker said he feared deportation from Germany after his appeal for asylum was refused. *(AP)*

Greek Police Arrest 7 Migrants

ATHENS — Greek police on Tuesday took into custody seven migrants who escaped after illegally landing on the country's southern shores with more than 100 refugees from Sri Lanka, Pakistan and India.

The migrants disembarked Dec. 29 from a cargo ship near the southern port city of Nafplion.

The arrests came as the Public Order Ministry said it continued to doubt testimony that about 300 of migrants had drowned after their ship collided with another vessel in the Malta-Sicily channel on Christmas Day. *(AP)*

4 Questioned in IRA Attack

BELFAST — Northern Ireland police questioned four men on Tuesday over a daylight IRA rocket attack on the main courthouse in Belfast that raised fears of retaliation by unionist gunmen.

Security forces were on high alert after the Irish Republican Army carried out its first attack of 1997, which injured a policeman in a guard post. *(Reuters)*

Council Might Expel Belarus

STRASBOURG — Belarus risks losing its special status on the Council of Europe following protests over a disputed referendum that gave its president sweeping new powers, officials said Tuesday.

The council's 40-member political committee is to meet this month to consider a proposal to expel Belarus after President Alexander Lukashenko ignored protests over the November referendum, the officials said. *(AFP)*

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ASIA/PACIFIC

Seoul Attributes Strikes To 'Misunderstanding'

Korea Calls New Labor Laws Necessary

By Kevin Sullivan
Washington Post Service

SEOUL — President Kim Young Sam said Tuesday that a "big misunderstanding" by workers about controversial new labor laws was to blame for strikes that have hobbled the nation for nearly two weeks.

"The labor laws have been revised to be more in line with those of advanced countries," the South Korean president said during a nationally televised news conference, his first in two years. "The laws haven't been revised in 43 years — you wouldn't wear the same clothes for 43 years."

Hundreds of thousands of South Korean workers have staged strikes and protest rallies since Dec. 26, when Mr. Kim's ruling New Korea Party used a secret session of the National Assembly to pass new labor laws. The laws allow companies to lay off workers, set more flexible work hours and hire temporary help — all previously unheard-of in the nearly guaranteed lifetime employment system in South Korea.

Mr. Kim said Tuesday that the new laws were in line with those of the member nations of the Organization for Economic Cooperation and Development, which South Korea joined last month.

He called for "industrial peace" to keep domestic and foreign companies from leaving South Korea, and to protect the world's 11th largest economy, which is experiencing its most serious economic downturn in years.

The South Korean government said Tuesday that the strikes had cost the country about $1.4 billion in lost production and profits.

"It is nice to redistribute the national wealth," Mr. Kim said, "but there has to be some national wealth left to redistribute."

Employers have threatened to sue the strikers, and prosecutors on Monday issued summonses to question about 100 labor leaders. The union leaders ignored the summonses, leaving the government to decide whether to arrest them.

"No one wants to leave their families and go to prison," a labor leader, Bae Suk Bum told Reuters, "but I am honored to be part of this fight and am willing to sacrifice myself."

Mr. Kim's no-compromise stand on Tuesday angered Mr. Bae and other labor leaders camping out in protest in the snow at a downtown Seoul cathedral.

"We have no choice but to intensify our strikes," said Kwon Young Il, president of the Korean Confederation of Trade Unions, a technically illegal umbrella group that represents 500,000 workers. "We are saddened that the president, who should be in charge of governing the nation, does not know the seriousness of this crisis."

Thousands of hospital workers and employees at the four big Korean broadcast networks — including the state-run Korea Broadcasting System — joined the strike, which has already idled vital automakers and shipbuilding yards.

Union officials estimated that 230,000 workers were on strike Tuesday, down from a high of about 350,000 before the strike was suspended last week to observe the New Year's holiday.

At his news conference, Mr. Kim also reaffirmed his commitment to talks among North Korea, South Korea, the United States and China aimed at putting a formal end to the Korean War of 1950-53, replacing the fragile armistice.

Mr. Kim and President Bill Clinton proposed the talks last April, but Mr. Kim withdrew his participation after a North Korean submarine incursion into South Korean waters in September. After North Korea apologized last week for the incident, Mr. Kim renewed his intention to hold the talks.

"We hope that North Korea will drop its anachronistic dream of communizing and unifying the Korean Peninsula by force of arms, and instead join us in opening a new chapter of peace and cooperation," Mr. Kim said. "To that end, this year must see the proposed four-party meeting realized, laying a foundation for lasting peace on the peninsula."

North Korea has agreed to attend a preliminary briefing on the talks with South Korean and U.S. officials. Mr. Kim said Tuesday that the briefing would be held later this month.

BRIEFLY ASIA

Top Sikh Militant To Be Extradited

NEW DELHI — A U.S. court has cleared the extradition to India of a suspected top Sikh militant leader who is wanted by New Delhi for a bus bombing and an attempted political assassination, the authorities said Tuesday.

Officials of the Central Bureau of Investigation, India's federal police agency, said a Texas court had cleared the way for the extradition of Daya Singh Sandhu, who was arrested in Minneapolis in 1995. Mr. Sandhu is believed to be one of the leaders of the Khalistan Liberation Force, a group fighting for a separate Sikh nation in the northern state of Punjab. *(Reuters)*

Deng: 'No Change'

BEIJING — A government spokesman dismissed reports that Deng Xiaoping's health deteriorated last week, saying "there has been no big change" in the senior leader's condition.

Hong Kong newspapers had reported that Mr. Deng, 92, had been rushed to a hospital. The Foreign Ministry spokesman, Shen Guofang, said he had no new information about Mr. Deng's health. *(AP)*

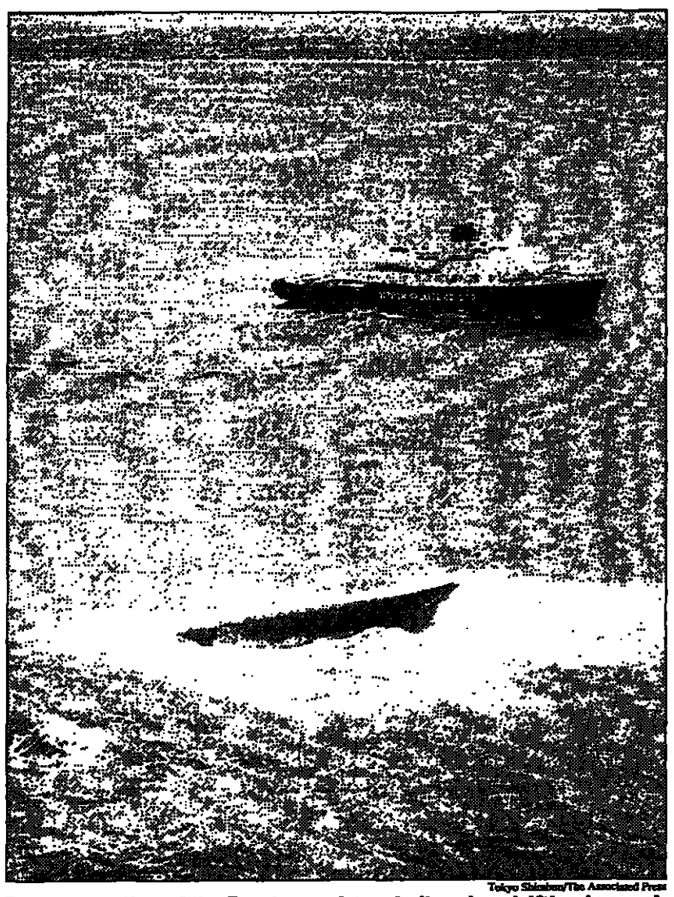
Warning by Bhutto

ISLAMABAD — Benazir Bhutto, the ousted prime minister, said Tuesday that she would not accept the result of next month's election if it is held under President Farooq Leghari, who dismissed her two months ago.

At a news conference held to issue a new election manifesto of her Pakistan People's Party, she opposed a presidential decree issued Monday creating a new council that gives the armed forces a formal advisory role in government. She said the decree was an attempt to drag the military into politics. She said that she would not boycott the Feb. 3 vote, but that her party was considering whether to begin protests. *(Reuters)*

Indonesia Protests

JAKARTA — Supporters of Megawati Sukarnoputri, the ousted Indonesian minority party leader, demonstrated Tuesday in two cities, demanding the right to run in elections this May. Some 400 members of the Indonesian Democratic Party gathered at the General Election Institute in Jakarta to protest that body's rejection of Mrs. Megawati's candidates for the May 29 polls. In Surabaya, witnesses said more than 2,000 Megawati backers marched on the East Java office of the election body. *(Reuters)*



Tokyo Shimbun/The Associated Press

The bow section of the Russian-registered oil tanker drifting in rough seas off north-central Japan on Tuesday as a salvage vessel kept watch.

Shipwreck's Oil Is Fouling Long Shoreline in Japan

Compiled by Our Staff From Dispatches

MIKUNI, Japan — Waves of oil washed onto Japan's north-central shoreline Tuesday, fouling the coast and threatening fish and wildlife.

Oil slicks had hit shore along a 100-kilometer (60-mile) stretch from Kyoto Prefecture to Fukui Prefecture, a Maritime Safety Agency spokesman said. The rocky coast is dotted with fish farms, fishing ports and tourist resorts.

At a beach at Mikuni, about 330 kilometers northwest of Tokyo, villagers grimaced at the pungent odor of heavy oil as they surveyed the wreck of the ship that has caused Japan's second-worst oil spill.

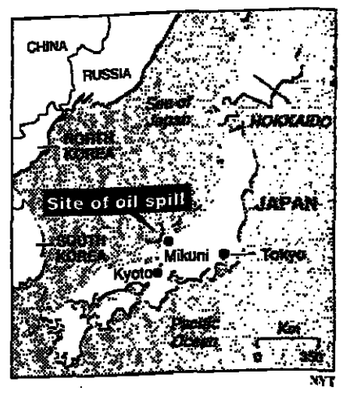
In Mikuni, a fishing town of 20,000 people, the spill threatened to wipe out the port's annual fishing income.

Fishermen and fisheries officials predicted that the slick would destroy this year's harvests of abalone and turbine shell, both shellfish delicacies, and seaweed, which is eaten in Japan.

Intermittent snow and cold have dogged efforts to stop the spill — or even confirm its size — since a Russian-registered ship, the Nakhodka, sank and broke in two during storms in the Sea of Japan last Thursday.

The Maritime Safety Agency spokesman said that high seas had prevented an oil dispersal operation using detergent chemicals.

"We still have no idea of how much oil escaped from the vessel," he added.



The weather also thwarted efforts to put up an oil fence to stop the slicks from spreading.

The spill worsened Monday when oil started seeping from ruptured tanks in the stern of the vessel, where most of the ship's 133,000 barrels of heavy fuel oil was stored.

Until the stern tanks started leaking, it was estimated that 26,000 barrels of oil had escaped from ruptured tanks in the bow.

Japan's biggest oil spill occurred in 1971.

The Nakhodka was built 26 years ago, and authorities said the age of the ship, which was heading to Russia from China, was a factor in its breaking apart. The 31 crewmen were rescued but the captain was missing. *(AP, Reuters)*

HERESY: *Sri Lankan Priest Excommunicated by Vatican May Become a Cause Celebre*

Continued from Page 1

spiritual figure, such as Jesus, can claim to be the only savior.

Father Balasuriya's defiance has set his case apart from other disputes that have pitted theologians against Cardinal Joseph Ratzinger, the formidable head of the Congregation for the Doctrine of the Faith, which adjudicates doctrinal matters.

The strict discipline imposed by Pope John Paul II has been exercised on the Swiss theologian Hans Kueng, a professor at Tuebingen University in Germany; the Reverend Charles Curran, who taught at Catholic University in Washington, D.C.; and the school of liberation theologians from Latin America whose anti-establishment, populist views often overlapped with leftist social ideals in the 1970s and '80s. But the Vatican stopped short of excommunicating Father Kueng and Father Curran, and only barred them from teaching Catholic theology.

"This is much tougher," Father Kueng said in a telephone interview about Father Balasuriya's case, "perhaps because he is a Third World theologian. It is very serious for this man, and it is very unjust, but it is the consequence of the system. This is the system as it works, and as it will work as long as Catholicism doesn't get rid of a doctrine that says that the Pope is always right."

In an address to heads of doctrinal commissions from around the world who met in May in Guadalajara, Mexico, Cardinal Ratzinger, who is seen as Pope John Paul II's principal doctrinal watchdog, laid out the dangers of a blend of the West's secular relativism and the "philosophical and religious intuitions of Asia, especially and surprisingly with those of the Indian subcontinent."

From the marriage of these trends, he said, is born the religious relativism that is unacceptable for the Catholic Church.

"The faith, together with its practice, either comes to us from the Lord through his church and the sacramental ministry, or it does not exist in absolute," Cardinal Ratzinger said.

By excommunicating Father Balasuriya, the Vatican has sent its message in an even more forceful way.

The case against Father Balasuriya began in 1993, when the Catholic Bishops' Conference in Sri Lanka called for an investigation into his latest book, "Mary and Human Liberation." The book took a critical look at the cult of the Virgin Mary, in particular her image as a "Mary of the capitalist, patriarchal, colonialist first world of Christendom" whose "perpetual virginity" makes her "a dehydrated figure who is not quite human." Father Balasuriya argued that Christianity and Catholicism must go further to acknowledge the legitimacy of other faiths.

By July 1994, the Congregation for the Doctrine of the Faith compiled an 11-page critique of Father Balasuriya's views, much of which he later dismissed as a "misrepresentation." In due course, he sent off a 55-page response to which he received a one-word reply: "Unsatisfactory."

Father Balasuriya argued that the Vatican was in no position to judge the rights and wrongs of scholars working in multidenominational cultures like Sri Lanka, where most people, about 69 percent, are Buddhists, about 15 percent are Hindus, and Christians and Muslims each make up less than 8 percent of the population.

Finally, in May 1996, the Vatican, clearly exasperated by the drawn-out epistolary exchange, sent Father Balasuriya a long "profession of faith," which it insisted he sign "to verify if you accept the truths" taught by the Catholic Church. Included was a paragraph explicitly acknowledging the Vatican's hard-line position against the ordination of women.

For this and other reasons, Father Balasuriya refused to sign and opted instead to sign a similar one, without the clause on women priests. That approach was rejected by the Vatican and, after a last-minute appeal to Pope John Paul II himself, the congregation started to move slowly but inexorably toward its final judgment.

ASIA: *Hashimoto's Visit Poses a Puzzle on Japan-China Balance*

Continued from Page 1

dition to the countries he will visit in the next week, Mr. Hashimoto traveled to the two other ASEAN states, Thailand and the Philippines, last year.

Since then, concerns have arisen in Southeast Asia that resurgent Japanese nationalism may be unduly influencing Mr. Hashimoto's government, prompting it to take a more confrontational approach to China over a number of issues, including disputed islands in the East China Sea known to the Japanese as the Senkakus and to the Chinese as the Diaoyus.

Singapore's senior minister, Lee Kuan Yew, praised China's restraint in the dispute when he was in Tokyo recently.

"Although its leaders could have used this issue to stir up nationalist passions and gain support for themselves, there have been no boatloads of Chinese from the mainland, unlike the Chinese in Taiwan and Hong Kong, to the islands," he said. "This reflects the high priority China places on stable relations with Japan and its neighbors, in order to get more capital, technology, trade and investments for its growth."

Japan's trade with the five Southeast Asian countries on Mr. Hashimoto's itinerary amounted to $74 billion in 1995, and its cumulative investment in the area stood at $33 billion — far eclipsing China's direct economic stake in the region. Japan is also the largest source of aid to ASEAN countries, and it gets 80 percent of its natural gas imports, which are vital for power generation, and 10 percent of its oil from Southeast Asia.

But ASEAN sees China as a future economic and military heavyweight in the region.

In seeking to balance Japan and China, which have a history of bitter conflict in the last century, Southeast Asian countries are looking ahead two or three decades when Japan and China will, for the first time, be major powers at the same time.

"How they relate to each other will have a profound influence on Asia and the world," Mr. Lee said. "The synergy of these two complementary economies will boost growth and development throughout East Asia, and rapid growth in this the most dynamic region could become the growth engine for the world. Conversely, if relations go wrong between China and Japan, East Asia and the world will be affected."

Analysts said that ASEAN countries feared that a more assertive Japan under Mr. Hashimoto could weaken its long-standing alliance with the United States and lead to Japanese rearmament, provoking a similar response from China.

"The Japan-U.S. alliance is the anchor of stability and peace for the region in the foreseeable future," said Jusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies in Jakarta. "It puts Japan in a structure that is accepted by the Japanese public and by the region, including China."

While emphasizing the importance of the Japan-U.S. security alliance, Mr. Hashimoto said at a New Year's Eve news conference in Tokyo that the days in which Japan could "act, taking peace and prosperity for granted in the international community under the United States wing, have already passed."

He said that the "time has come for Japan to spread its own values and philosophy in the world."

Jeff Kingston, director of the Institute for Pacific Rim Studies at Temple University in Japan, said that the Hashimoto government wanted to shed Japan's image as the "meek man" of Asia.

He said that Mr. Hashimoto, as former president of the War Bereaved Families' Association in Japan, had long sympathized with those who regarded the country as a victim rather than an aggressor in World War II.

"It is up to the Japanese government to reassure its neighbors about its intentions and reaffirm a responsible foreign policy," Mr. Kingston said. "It can learn much from the diplomacy of ASEAN, which has sought to engage China in dialogue and confidence-building measures as a means of dampening tensions over disputed territories."

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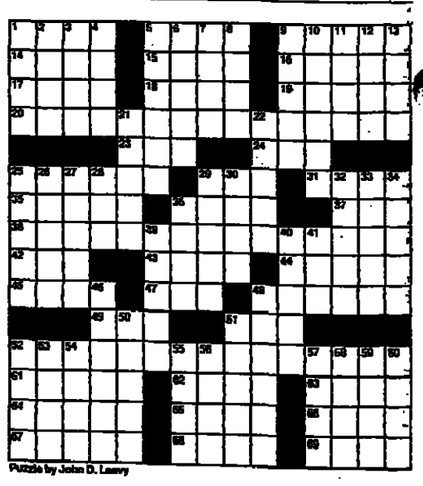
41 Champion of 10/30/74
46 Pickle
48 Choice cut
50 School assignment
51 #1 Green Mountain Boy
52 G.D.P., for one
53 Swimming ——
54 Hazzard County deputy
55 "War and Peace," e.g.
56 One who takes messages
57 Military parade passageway
58 Dam
59 Rug figure
60 First name on Capitol Hill



Puzzle by John D. Lasry

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Solution to Puzzle of Jan. 7

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INTERNATIONAL

Milosevic Aides Accused of Ordering Beatings

Opposition Vows It Will Pursue Criminal Charges

The Associated Press

BELGRADE — President Slobodan Milosevic's political foes accused some of his closest associates Tuesday of organizing police beatings of demonstrators, and said their lawyers would pursue filing criminal charges.

The Serbian capital was quiet Tuesday as people celebrated Christmas according to the Orthodox calendar, but an opposition rally was planned for the evening. On Monday night, Christmas Eve, more than 200,000 people turned out for a combination protest march and holiday celebration.

The celebration was marred by an explosion Monday evening, very likely caused by a grenade, on the grounds of the headquarters of a party allied with Mr. Milosevic. No one was hurt in the blast, which went off at offices of the Yugoslav United Left, the party of Mr. Milosevic's wife, Mirjana Markovic.

Zajedno, the opposition coalition whose name means Together, has backed seven weeks of protests since courts and election commissions controlled by the Serbian leader annulled local elections Nov. 17 that the opposition won.

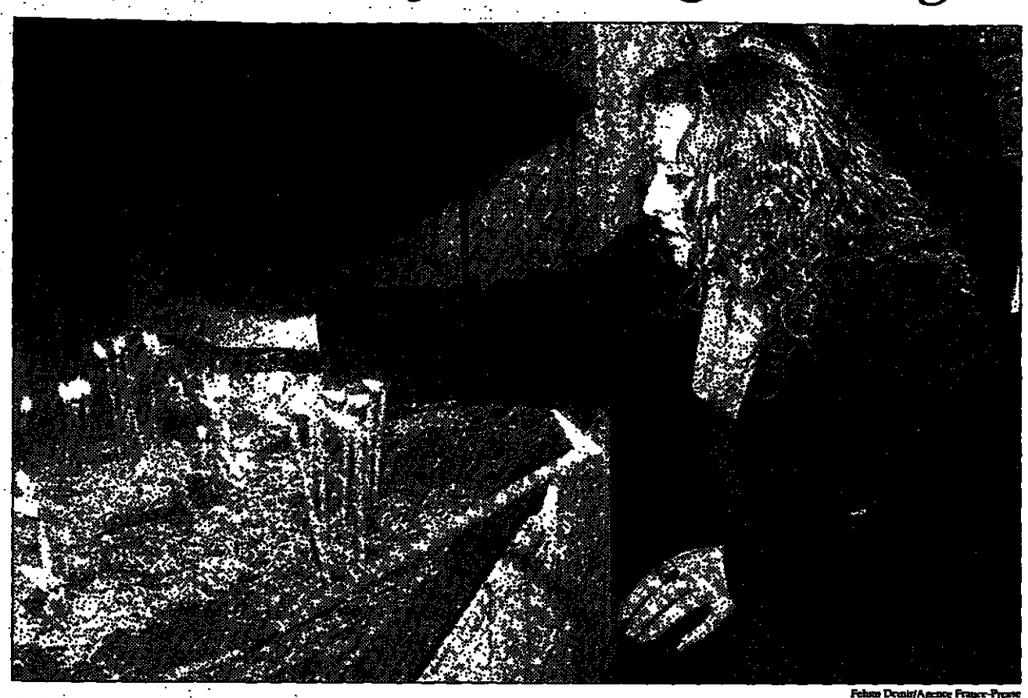
The coalition said in a statement that its lawyers would seek criminal charges against Interior Minister Zoran Sokolovic and his assistant, Radovan Stojcic, both of whom are very close to Mr. Milosevic, because of the beating of demonstrators last month.

On Tuesday, a top official from Montenegro, Serbia's junior partner in the Yugoslav federation, warned Mr. Milosevic to "urgently" recognize the opposition's victory. He warned that Montenegro might boycott federal institutions.

■ Court Said to Favor Opposition

Serbia's supreme court has recognized the opposition's victory in the town of Lapovo, an official from the Zajedno coalition told Agence France-Presse.

The court's decision concurs with recommendations of the Organization for Security and Cooperation in Europe, which confirmed opposition victories in 14 Serbian towns and cities, including Lapovo.



Feiza Ilhan/Agence France-Presse

A Serbian woman lighting candles in a Sarajevo church Tuesday during a Mass celebrating the Orthodox Christmas. About 200,000 people joined a combination street protest and holiday fête the night before.

Shalikashvili Meets Saudi Defense Chief

Reuters

DUBAI — The chairman of the U.S. Joint Chiefs of Staff, General John Shalikashvili, met Tuesday with the Saudi defense minister and discussed bilateral relations, the official Saudi Press Agency said.

The meeting with Prince Sultan ibn Abdulaziz as Saud, the Saudi defense and aviation minister, was also attended by senior U.S. diplomats and officers of the Saudi armed forces. The agency did not or give further details of General Shalikashvili's visit.

About 5,700 U.S. troops are stationed in the kingdom as part of coalition forces policing a "no flight" zone over southern Iraq.

Mercenaries Recruited to Stem Rebels in Zaire, French Reports Say

Reuters

PARIS — A force of several hundred European and African mercenaries, some recruited by a former chief of security at the French presidency, is assembling in eastern Zaire to help stem advances by rebels backed by Rwanda, Le Monde said Tuesday.

Le Monde reported that the force numbered between 200 and 300, but was expected to grow rapidly when more men left Europe in two weeks' time to join South African, French, Belgian, British, Angolan and Mozambican soldiers of fortune.

The French cooperation minister, Jacques Godfrain, said there were mercenaries from some European nations in the region but denied any official French involvement, saying Paris was the victim of a smear campaign in the media.

"People are pointing the finger at us when we're doing nothing," he said.

Asked about the report in Le Monde, the French presidency said it had no connection with, or knowledge of, a mercenary force.

"If such a force exists," a spokeswoman said, "it is in total contradiction with French policy in the region and therefore to be condemned."

Le Monde, however, quoted unidentified French military sources that confirmed they knew the force existed and would "buy time" for President Mobutu Sese Seko's government.

Car Bomb in Algiers Kills 6, With Reports of 100 Injured

Compiled by Our Staff From Dispatches

ALGIERS — A powerful car bomb exploded Tuesday afternoon in the heart of the Algerian capital, killing at least 6 people and wounding at least 20.

Hospital officials said the bomb exploded near Place Audin, a bustling shopping district in central Algiers. The government announced the death and injury toll.

Sources quoted by Agence France-Presse said that 13 people had died about 100 had been wounded.

It was the deadliest car bomb attack in Algiers in several months. No one immediately claimed responsibility for the bombing, the latest in a five-year insurgency in Algeria that has killed at least 60,000 people.

In other recent attacks, an armed group killed 18 people Monday and wounded 18 others in a raid on the coastal town of Douaouda-Marine, west of Algiers, security forces in the capital said. Witnesses said the attackers had threatened to return.

On Sunday, 16 people — including two children — were killed in an attack on the village of Benachour, in the Blida region 50 kilometers (30 miles) south of Algiers. *(AP, AFP)*

ANNAN: *New UN Chief Is Old U.S. Hand*

Continued from Page 1

had just gone through our own struggle for independence. Ghana became independent in 1957, only two years earlier. People of my generation, having seen the change that took place in Ghana, grew up thinking all was possible.

"When I came to the States, the social upheaval reminded me of some things that had gone on there," he added, sitting in an office still largely undecorated except for flowers, an African woodcarving and an abstract painting by his wife, Nane, a Swedish lawyer-turned-artist.

Mr. Annan arrived in the United States on a scholarship from the Foreign Students Leadership Project of the Ford Foundation, which scouted the world for promising future leaders.

He also remembers 1959 as the year of the earmuffs. "I entered the United States at Boston, and did a summer program at Harvard," he said. "I then moved on to Macalester College in Minnesota. It was my first winter ever, and that was quite an experience.

"Intellectually, I knew about the seasons," he said, his elegant English softened by a lilting West African cadence. "I knew about snow. I knew about winter. But I had never experienced it until I got to Minnesota."

Unwillingly, he bundled up in cumbersome clothes. But he drew the line at earmuffs, which looked ridiculous.

"I resisted as long as I could, until one day, going to get something to eat, my ears nearly froze," he recalled. "So I went and bought the biggest pair I could find. But even in that I learned a very important lesson. You never walk into a situation and believe that you know better than the natives. You have to listen and look around. Otherwise you can make some very serious mistakes."

Mr. Annan got his first look at the rest of the country the following summer in a new Rambler station wagon, the gift of George Romney, then president of American Motors and later governor of Michigan. With gasoline supplied free by a major oil company, he and other students — Sri Lankan, Greek, British and American — along with a faculty guide, Harry Morgan, director of the international journalism program, set out across the United States as "ambassadors for friendship" — a grandiose title invented by Mr. Morgan, a former journalist at Reader's Digest.

"We stayed with families that were very comfortable," Mr. Annan said. "We stayed with sharecroppers. We even attempted to stay in jail at Dodge City just to see the conditions." Turned down by a warden who said that in his 32 years on the job nobody had ever asked to be locked up, they slept at the Salvation Army instead.

"We did get into situations in some of the Southern states where they did not want to serve us because of the mixed group," he said. "In Las Vegas, the Sri Lankan was told he couldn't use the pool. He was extremely upset. But generally people were hospitable."

"In the '60s, I saw a very generous people," he said of his first acquaintance with Americans, in contrast to what he sometimes observes now. "When I see groups emerging that are so self-centered, so determined to keep out everybody, in a nation of immigrants — this distrust of people who are different — it is difficult to explain."

But Mr. Annan is far from uncritical of his native continent. On a visit to Ghana with his family over Christmas, he lectured the Ghanaian Parliament on the importance of the rule of law and the careful exercise of power.

"I will try very hard to solve the problems of the continent," he said. "But for assistance to be effective, these governments must get their own house in order. They should open their political systems. They should take steps to reduce if not eliminate corruption. In a way, I think that comes with the opening of the economy."

Mr. Annan, who was born into a prominent family among the Fante people of Ghana's Ashanti region, has worked as an international civil servant at the United Nations for most of his career. He has a reputation there as a level-headed and humane administrator.

Mr. Annan intends to move quickly to open access and encourage discussion in the organization, which was run in a more hierarchical style by his predecessor, Boutros Boutros Ghali.

"The building will breathe with information," said Mr. Annan's spokesman, Frederic Eckhard.

SERVICE: *U.S. Technology Companies Find a New Key to Profit*

Continued from Page 1

has been hiring "people who understand business, not just technology," Mr. Harris said. "Our emphasis has shifted from solving technology problems, to using technology to solve business problems."

Still, the potential rewards are so rich that few companies are frightened away. No one has amassed statistics about all the disparate service businesses.

But most experts say the largest is global information-technology services, which encompasses designing, maintaining and installing information systems. According to the market-research firm Dataquest, that business reached about $234 billion last year, and should top $400 billion by the end of the decade.

Although independent consulting firms still rule that market, the manufacturers are gaining. Xerox's revenue from services went to $1.5 billion from $1 billion in 1995 — maybe not much compared with the $13 billion that EDS clocked last year, but still a formidable 50 percent increase.

Michael Critelli, the chairman of Pitney Bowes, expects his company's mail- and copier-related services to grow 15 percent a year through 2000. "We know mail better than anyone outside the post office," Mr. Critelli said.

Services are growing even faster for computer companies, which increasingly design and run a client's entire computer operations, from payroll to tracking orders. Hewlett-Packard's 1996 service revenues were $5.3 billion, 20 percent above 1995. About $20 billion of IBM's $70 billion in 1995 revenues came from services, and Lloyd Waterhouse, a general manager of IBM Global Services, says services are growing faster than either hardware or software.

General Electric derived $7 billion of its $70 billion in 1995 revenues from such services as repairing and maintaining locomotives, aircraft engines, power plants and medical equipment, and it expects such services to top $15 billion by 2000.

The company just formed a services council, where representatives from all its manufacturing businesses share tips on how to expand the services business.

For example, GE's medical division, which uses its own equipment to interpret diagnostic test data that have been electronically transmitted, has taught the aircraft engines division to use the same technology to figure out what might be wrong with an airplane at an airport thousands of miles away.

"I can expand a lot faster by upgrading or maintaining the equipment I have installed than by trying to sell more units," said John Welch, GE's chairman, who says product-related services are growing at "two to three times the rate of products themselves."

For GE, a hugely profitable company, pursuing services is just a way to grow. For many computer companies, it is a survival strategy.

Competition has intensified, product-life cycles have shortened and the advent of "open architectures" — systems that allow companies to mix and match components from rival manufacturers — is enabling customers to shop around when they want to upgrade or expand.

The situation is most dire for companies that make personal computers, mainframes and other equipment that has become so standardized that their "variations no longer matter as much as the services that need to be attached to them," said Peter Kolesar, a professor at the Columbia Business School.

A result is that manufacturing gross margins, which once went as high as 75 percent, now rarely exceed 30 percent. For services, gross margins can exceed 50 percent.

"Consulting margins were never as high relative to manufacturing as now," said Patrick Harker, a professor at the Wharton School.

That is what the most beleaguered computer companies are banking on. At Unisys, which has faced vanishing profits on mainframes and PCs, computer-related services now represent 63 percent of sales and 100 percent of hopes.

"Equipment margins are so low that services are the only way to improve our bottom line," said Dewaine Osman, a Unisys senior vice president.

Similarly, Wang Laboratories has been bailing out of its ailing office-computer businesses since emerging from bankruptcy in 1993. It now concentrates on designing and running local and wide area networks.

"Services provide a high return on assets without plants, property or equipment," said Joseph Tucci, chairman of Wang.

GINGRICH: *Speaker Is Re-elected*

Continued from Page 1

self confident or too pushy, I apologize," he said. "To whatever degree in any way that I brought controversy or inappropriate attention to the House, I apologize."

He added, "It is my intention to do everything I can to work with every member of this Congress."

But as he was seeking to strike a less partisan tone, the Ethics Committee's special counsel for the Gingrich case, James Cole, said it would not be possible to hold a House floor vote on sanctions against the speaker until after Jan. 21, a deadline set last month.

Democrats were angry at the suggestion that a vote might be held on Jan. 20, the day of President Bill Clinton's inauguration, at a time it would receive minimal media attention.

House Republicans, who hold a 227-to-207 vote lead, with one independent, cheered the announcement of Mr. Gingrich's election loudly, and many shook his hand as he went down the aisle.

"This is Newt's finest hour," a California Republican, Dana Rohrabacher, said shortly before the vote.

Republicans said Mr. Gingrich owed much to a sense among party members that he had been a dynamic, galvanizing leader and a powerful intellectual force in the party's revitalization.

But it was unclear how the challenge from within his party would play out over time. Representative Jim Leach of Iowa, a respected moderate who surprised and infuriated many colleagues Monday by announcing his opposition to Mr. Gingrich, received 2 votes Tuesday.

An attempt by the minority Democrats to postpone the vote on the speakership until the ethics committee's decision on a punishment for Mr. Gingrich predictably failed.

Asked how Mr. Clinton would work with the new House, the presidential spokesman, Michael McCurry, said: "There's a lot of work to do. The president looks forward to doing it."

The ethics committee begins work Wednesday on the punishment phase of the investigation. Two Republican members of the committee, Porter Goss of Florida and Steve Schiff of New Mexico, said Monday that the panel would provide no embarrassing surprises, indicating they would favor a simple reprimand for Mr. Gingrich, which would allow him to retain the speakership.

The Associated Press

Jacques Santer, left, the EC president, and Wim Kok, the Dutch prime minister, at The Hague on Tuesday.

EUROPE: *Dutch Pledge to Press Reform*

Continued from Page 1

For Mr. Kok, the success of the reform talks hinge on French-German proposals for increased flexibility that would enable groups of EU countries to adopt common policies without hindrance from reluctant partners. Such flexibility will be vital to ensuring the Union's capacity to act if it takes in as many as 10 new members from Eastern Europe.

Unfortunately for the Dutch, after nine months of negotiations most EU capitals remain divided on how to put that flexibility into practice, and are divided on other reforms as well.

Virtually all members but Britain agree in principle that Europe must curtail national vetoes and make more decisions by majority vote to prevent policy gridlock. In practice, few are willing to suggest where to start. As Hans van Mierlo, the Dutch foreign minister, put it, the prevailing attitude is "yes, we want more majority voting, but not in my backyard."

The Dutch themselves are on the defensive over proposals advanced by France and Germany to enhance the voting power of large states at the expense of smaller countries, and to strip some countries of their seat at the commission, the EU executive agency.

Jockeying over monetary union also is likely to intensify during the Dutch presidency, a point that was driven home when Finance Minister Gerrit Zalm appeared to rule Spain and Italy out of contention for a single currency in 1999, saying the euro "must start with a small group of countries to give it the necessary credibility."

Conscious of the pitfalls, Mr. van Mierlo will tour EU capitals soon in a bid to accelerate the intergovernmental conference on EU reform, or IGC, as it is known.

But for many observers, the lack of consensus suggests that the conference will produce only modest changes, and that the prospects of deeper integration rest mainly with the single currency.

"At best, the IGC will produce an environment that will facilitate monetary union and expansion," said Vernon Weaver, the U.S. chief delegate to the European Union. "And that's at best. At worst, maybe it won't get in the way."

MARKET: *Big Questions Greet Proposal to Invest a Large Part of the Social Security Trust Fund in Stocks*

Continued from Page 1

national 401(k) plan, the tax-deferred retirement accounts that millions of workers now manage for themselves, with the savviest investors reaping the biggest rewards when they reach 65.

The lobbying will be fierce. Wall Street is ecstatic at the idea that billions upon billions of dollars that today are invested only in government securities might suddenly fuel the stock market. Its enthusiasm is hardly without self-interest. If fund managers are permitted to skim just 1 percent in management fees, it would mean new Wall Street revenues of $10 billion to $40 billion a year in 2015, and far more after that.

Labor unions say that it is not only risky to rely on volatile markets, but that it is also a surrender of the guarantees that the Social Security system has come to represent.

But what of the conflict of interest inherent in any system that places the most influential single market force, the federal government, in the position of being the single largest investor? Some officials say the conflict of interest is more theoretical than real. After all, billions in state pension funds, and even some federal pension money, are already invested in the stock market.

And so is the future of any politician who can count electoral votes. Just ask President Bill Clinton, who abandoned many of the promises of his first campaign when it became apparent that the markets were demanding fiscal discipline. It was a risky strategy that, his aides said, paid off tremendously in November. "People dismissed Bob Dole's argument that the economy was in terrible shape," a top aide said, "because they knew that everyone was making money in the market."

But others around Mr. Clinton note that pouring Social Security money into the markets would turn what has for decades been a close interconnection between Washington and Wall Street into an iron link.

Market reactions, they say, are always a consideration in major government decisions. But they could loom over such decisions if the president, for example, was advised that the cost of sending troops to secure the peace on the Korean Peninsula might be a sell-off that every U.S. worker would see reflected on statements that spelled out the value of their "Personal Security Account."

"It's a serious question," said an economist at Salomon Brothers, John Lipsky.

"If you have the national government making decisions that will influence financial markets and if the government is directly involved in investing in those markets, it will undoubtedly affect decisions," he said.

The details of the advisory report aside, there are some areas of broad agreement whenever Washington policymakers take up the electric issue of messing with Social Security.

But as soon as the subject turns to stock investment, the consensus falls apart. Treasury Secretary Robert Rubin, the former investment banker, has said many times he has "substantial concerns" about putting the sole source of retirement income for much of America at the mercies of the stock market.

Today, the Social Security trust fund earns a rate of return of 2.3 percent after inflation. Historically, the stock market has a rate of return of 7 percent. The difference, compounded over decades, is huge. But to some degree the national psychology is affected by the fact that the market has risen so dramatically, with only one major interruption, for 15 years. That psychology could be radically changed by a prolonged downturn. And if Social Security recipients were losing billions for several years, the pressure on the recipients of government bailouts would undoubtedly mount.

Some on the commission, including Thomas Jones, president of TIAA-CREF, which manages $180 billion in retirement money for professors and researchers, wonder whether the government or Social Security recipients should be put in that bind.

"To me the bottom line is that half of America's workers have no other pension plan," Mr. Jones said. "Those are the people who absolutely need Social Security, with a guarantee. How reasonable is it to take away the guarantee, but say to them, 'You can make it up with investing acumen?' It's just not appropriate to put them at risk."

ETA Claims Blasts in Santander

The Associated Press

SANTANDER, Spain — The armed Basque separatist group ETA took responsibility for planting a bomb at the base of an electricity pylon here Tuesday.

The bomb, which was defused by police before it could explode, was discovered one day after the group claimed three small explosions that damaged electric lines.

EDITORIALS/OPINION

Herald International Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Delinquent Diplomats

Thanks to a treaty that every nation respects, no diplomat serving abroad can be arrested or tried for a crime in a host country. This "diplomatic immunity" benefits the United States as much as anyone. It meant during the Cold War that the Soviet Union could not drum up some charge and toss an embassy employee, or spouse or child, into a KGB cell. It means today that when a U.S. diplomat angers Cuba by reaching out to political dissidents, Cuba can ask her to leave but cannot throw her into jail. It reduces, but does not eliminate, the risks for diplomats who promote U.S. interests in hostile or authoritarian nations.

Periodically, this worthy desire to protect diplomats collides with an equally legitimate belief that no one should be above the law. A most egregious case took place Friday night, when the second-ranking diplomat in the embassy of Georgia caused a traffic accident that took the life of a 16-year-old Kensington girl, Joviane Waltrick. The diplomat, George Makharadze, reportedly ran a stop sign while driving extremely fast near Dupont Circle. Alcohol may have been a factor, according to police.

A second recent case, while not tragic in its results, also has inflamed emotions. Two diplomats assigned to the United Nations in New York, one Russian and one from Belarus, engaged in an altercation with New York policemen. Both nations have filed complaints with the U.S. State Department, alleging rough treatment. But New York Mayor Rudolph Giuliani says that the two had parked at a fire hydrant and, when challenged by police, attempted to drive away, although they appeared to be intoxicated. The car they were driving had received 386 summonses in 1996. Mr. Giuliani said — more than one per day, and all unpaid. Altogether, cars assigned to Russia's mission to the United Nations had been cited 14,437 times just in the first half of 1996. The mayor called this "a backdrop of almost consistent flagrant violations of a host country's rules and laws." We would call it arrogant, impudent and inexcusable.

Diplomatic immunity does not mean, it should be stressed, that diplomats are free to flout a host country's laws. On the contrary, U.S. diplomats overseas, and foreign diplomats in America, are bound, by the same treaty, to obey local rules. When they do not, the host country can ask the offender's government to waive diplomatic immunity. Failing that, diplomatic criminals can only be asked to leave. Zaire's ambassador to France last month ran over two 13-year-old boys in a car accident and, despite a protest march by thousands of French citizens, went home to Zaire unpunished.

State Department spokesman Nick Burns said on Monday that foreign countries not infrequently waive diplomatic immunity for lesser offenses committed in America, such as shoplifting, but he could not recall a case when a foreign nation has allowed a diplomat to be held for a serious offense such as murder or manslaughter. Nor could U.S. officials cite any case in which America has allowed its diplomats to be tried overseas.

Yet in a case as serious as the death of Joviane Waltrick — and as unrelated to any diplomatic duties — Georgia should make its representatives available for a full investigation. If it turns out that Mr. Makharadze caused the girl's death through drunk and negligent driving, Georgia should waive his immunity and allow him to be suitably punished.

As to the brazen disregard for local law cited by Mayor Giuliani — and repeated all too often in Washington as well — it should be made clear that diplomats who routinely abuse their immunity are not welcome in the United States. Driving drunk and parking at fire hydrants endanger the public safety. Mr. Burns was correct to defend the concept of diplomatic immunity. But he also expressed sympathy for its victims and promised, in response, "a renewed effort to make sure that diplomats here understand that we expect them to obey our laws." The public should watch attentively for that renewed effort.

— THE WASHINGTON POST.

Collect That Uranium

It does not take much highly enriched uranium to make a small nuclear weapon. With a relatively simple bomb design, some 6 kilograms (less than 15 pounds) of such enriched uranium can produce a weapon with the explosive power of 1,000 tons of TNT. Almost that much weapons-grade uranium now sits lightly guarded in Georgia, one of the newly independent states produced by the collapse of the Soviet Union in 1991. Russia, which promised last September to take possession of the material and secure it, ought to do so without further delay.

Georgia has no need for the 4.3 kilograms of highly enriched uranium provided by Moscow early in the decade to fuel a research reactor no longer in use. President Eduard Shevardnadze says his country lacks the financial and technical resources to dispose of the uranium, but would happily turn it over to the United States or Russia. Washington thought it had won agreement from Moscow to take the material, but the Russian Ministry of Atomic Energy has been slow to execute the plan. A simple directive from President Boris Yeltsin or Prime Minister Viktor Chernomyrdin is needed to clear the bureaucratic obstacles.

Georgia, still reeling from the aftershocks of a civil war that broke out shortly after independence, is precisely the kind of unstable place where nuclear materials should not be stored. It is close to Iran and Iraq, two countries eager to develop nuclear weapons, and not far from Chechnya, until recently the site of a brutal war between Russian forces and Chechen rebels.

Rogue states or terrorist groups intent on making a nuclear weapon would not need sophisticated bomb-making technology. The primitive bomb design used 40 years ago by the United States would suffice to fabricate a crude but destructive weapon with not much more than the highly enriched uranium in Georgia.

To speed removal of the uranium, the United States offered to pay Georgia $100,000 for the material, roughly its market value, and then promised to advance Moscow $1 million to cover the cost of moving it. Political leaders in Moscow approved the plan, but since then it has been blocked by disputes over how to transport the material and how to dispose of an additional kilogram of spent fuel from the Georgian reactor.

Russian vigilance, American assistance and a fair amount of good fortune have so far kept Russian nuclear weapons and materials secure since the disintegration of the Soviet Union. That record can be preserved if Moscow moves swiftly to collect Georgia's enriched uranium.

— THE NEW YORK TIMES.

Other Comment

Call It a Lucky Country

You don't have to be deaf to the familiar litany of American problems to believe that the republic is doing pretty well. The stock market, of course, has been astounding. Unemployment is the lowest it has been for decades, and inflation looks tamed.

In the industries and technologies of tomorrow — software, telecommunications and advanced materials — American companies have a stupendous lead over their competitors.

At home, there is a growing sense that America is becoming a society divided by class. The new economy, where low-skilled high-paid jobs are shrinking in number, places a high premium on education. The difference in lifestyles between rich and poor Americans is becoming worryingly wide.

Abroad, there is a growing sense of resentment of American power. Some dislike the Disneyfication of the world, others the propensity of the United States to throw its military weight around indiscriminately.

Those who are richly blessed should never think that blessings will always come their way. I have long thought that, like the Australians, Americans should think of themselves as having not a country which deserves the gifts of Providence but, simply, a "lucky country." For luck runs out, and the chance that it might do so usefully keeps people on their toes.

— Michael Elliott, commenting in The Washington Post.

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Let's Get Serious and Produce an AIDS Vaccine

By Bruce G. Weniger and Max Essex

ATLANTA — After a government-appointed panel criticized the foundering AIDS vaccine effort, the U.S. National Institutes of Health last month called a brilliant microbiologist and Nobel laureate, David Baltimore, to the rescue. A newcomer to vaccine research, he will become part-time chairman of yet another committee of outside advisers. This is unlikely to overcome the handicaps of the NIH in promptly developing a vaccine.

A vaccine is the only long-term solution for the epidemic.

The critical step for making an AIDS vaccine, growing the virus in a test tube, was discovered 13 years ago. Yet the NIH has been unable to bring any vaccine into testing to see if it works on humans. It still has no senior official with the necessary experience whose only responsibility is to produce an AIDS vaccine as soon as possible.

History teaches that a different kind of organization should run an expedited vaccine program in the face of a public health emergency. Recall Jonas Salk's struggle to develop a vaccine for polio in the early 1950s.

By 1949, John Enders and colleagues had grown the polio virus in test tubes, and were recognized with a Nobel prize. Dr. Salk applied this discovery in developing a vaccine.

But Dr. Enders, along with Albert Sabin and other eminent polio researchers, fought to stop trials of the Salk vaccine. Scientific orthodoxy dictated that it would not work well enough, if at all. Calling Dr. Salk's vaccine "quackery" and "kitchen chemistry," they favored waiting for an ideal vaccine.

The independent March of Dimes, whose principal mission was to stop polio, courageously put the Salk vaccine to the test anyway. On April 12, 1955, the headlines announced to an expectant world "It Works!"

The Sabin oral polio vaccine came into use around 1962, but availability of the Salk vaccine seven years earlier saved tens of thousands of lives.

The saga of the polio vaccine illustrates the difference between the theorists of academic science and the empiricists of applied research. The theorists leisurely pursue new knowledge to build models to explain the complexity of nature and perhaps offer elegant solutions. The empiricists apply knowledge to seek pragmatic answers to urgent public health problems.

These are complementary approaches, but the AIDS vaccine effort is impeded by the NIH culture, which undervalues applied research.

An impasse arose in June 1994, when the NIH halted plans to conduct human trials of the first generation of bio-engineered AIDS vaccines, overruling its own vaccine advisory panel. Eight years and $100 million of industry investment had gone into these vaccines. They had successfully protected chimpanzees from HIV, and were found safe for humans.

Theorists opposed to trials criticized the vaccines based on fashionable but unproved theories for predicting whether an AIDS vaccine will work. Some feared that money for vaccine trials would be taken from their research programs and from studies of treatments and a cure.

Empiricists favored trials to determine if and how well the vaccines might work. Vaccine development is a trial-and-error process that requires cautious human studies to test designs and revise them accordingly. "You have no chance of success," Dr. Salk once said, "unless you are willing to fail."

The decision putting into limbo these AIDS vaccines sent shock waves through the biotechnology and pharmaceutical industries. Biogen, Bristol-Myers and Merck and Repligen reportedly dropped their vaccine projects. Chiron Biocine, Genentech and Therion Biologics scaled back.

Now there are but a few vaccines in development. One untried strategy that could have begun a decade ago is a "killed whole virus" design — used for vaccines to prevent various human diseases and a form of AIDS in cats.

The NIH does an outstanding job supporting basic science and clinical research. But targeted applied research to develop a vaccine should be done by a single-purpose organization. Its director should be an accomplished vaccine scientist or pharmaceutical research manager, working closely with industry to pursue all potential vaccine strategies.

The consensus among scientists today is that an effective vaccine to prevent AIDS is possible. John Kennedy galvanized America by setting a deadline to reach the moon. Bill Clinton could join with other world leaders to set a goal to develop an AIDS vaccine by the 50th anniversary of the Salk polio vaccine in 2005.

Bruce G. Weniger is a member of the Presidential Advisory Council on HIV and AIDS. Max Essex is a professor of virology at Harvard University and chairman of the Harvard AIDS Institute. They contributed this comment to The New York Times.

Thailand Needs Political Reform and Economic Discipline

By Philip Bowring

BANGKOK — Last year was for celebration of the golden jubilee of King Bhumipol's accession, and of Thailand's dramatic progress in those 50 years. This year the country must face up to harsh political and economic realities.

Decisions in the coming months will help determine whether Thailand sustains its freewheeling mix of economic growth, parliamentary system and social development, or begins to slide into the mire of foreign debt and political confusion once associated with Latin America.

Thailand's track record, its pragmatism and its open economy support an optimistic view, but nothing can be taken for granted.

On the political front, the whole country knows that there is something seriously flawed about the Thai system, however democratic it may appear. That was shown by the performance of the late, unlamented government led by Banharn Silpa-Archa, and by the money-dominated electoral process that recently brought to power a coalition headed by former General Chavalit Yongchaiyudh.

Now there is a chance to do something about it. A Constitution Drafting Assembly has been set up to propose changes. All parties piously aver that the object is to make money less of a factor in getting elected, and to make it harder for members of Parliament from the governing parties to use public position to recoup their investment.

One popular suggestion is to change from multi-member constituencies to a mix of single-member constituencies and proportional party representation, which would reduce the influence of small parties and regional factions. Others are to reduce the links between executive and legislature, and limit political spending.

The constitutional assembly, elected by Parliament on Dec. 26, has got off to a difficult start. The government has been widely accused of packing it with its own supporters, who have minimal interest in major change, at the expense of expert and independent members. Much will now depend on who chairs the body and whether the views of respected members such as former Prime Minister Anand Panyarachun can outweigh the self-interests of the parties.

Failure to improve the quality of democratic politics and reverse the prevalence of greed and thuggery in government could bring forward the day when ambitious generals again pose as saviors of the nation from chaos and corruption. Constitutional change is no panacea, but is an important symbol.

The current government will meanwhile be tested on whether it has the courage to face up to another year of relatively low economic growth that will cause casualties in the financial sector. The alternative is to muddle along hoping that something will turn up to ease the country's biggest economic problem, its current account deficit.

This has been running at 8.2 percent of GDP and shows scant signs of falling to the 5 percent earlier deemed to be sustainable. The present level — $15 billion a year in real money — is sustainable so long as fickle markets do not worry about it. With gross debt (mostly bank loans) now around $90 billion and likely to surpass $100 billion in 1997, markets may get fidgety.

For now, official forecasts are for GDP growth to pick up to 7 percent this year while the current account deficit declines marginally. This would hardly amount to the "austerity" being promised.

If the Bank of Thailand does what it knows is right and keeps interest rates high, GDP and the deficit will be significantly lower than forecast — and various property and finance companies will go bust. Once that has happened, interest rates can fall — and the stock market will begin to recover from a four-year low. But it will hurt.

Such strong medicine may be difficult for a populist-minded government in which leading bankers play a key role. Years of excessive credit, particularly to real estate, financed by too easy access to foreign loans, are at the root of Thailand's economic problems. Bankers naturally may prefer to try to engineer a soft landing for the financial sector, using fiscal rather than monetary policies.

Thailand's sustainable GDP growth rate is now closer to 6 than 8 percent. The sooner that is accepted by the government, the more likely that Thailand will remain in charge of its own economic destiny rather than face foreign financial market dictates. Likewise, the survival of the political system will be determined by its ability to reform itself.

International Herald Tribune.

It's the Palestinian Side That Blocks Agreement on Hebron

By A. M. Rosenthal

NEW YORK — Western journalism last week grasped a reality about Israeli-Arab negotiations that had been known to Arab, Israeli and Western diplomats for at least a month: The delay in signing a Hebron agreement is due far more to Yasser Arafat's strategy than to Benjamin Netanyahu's.

When Mr. Arafat's latest roadblock made that clear, he made an important statement: "There are more burning issues than signing the agreement."

Exactly — and he has known this all along. But for three months the issue of how and when the Israelis should pull out of the last major West Bank town not yet turned over to the Palestinians has been blown up by the West and the Arabs as desperately critical.

The hype was started in October by President Bill Clinton, who declared it his top Mideast priority. Not Saddam Hussein, Turkey or Iran. Hebron. The atmosphere of do-or-die crisis smothered the central reality of Arab-Israeli relations.

No agreement on Israeli evacuation of a particular town or patch of countryside can bring peace unless conditions for peace can be met. They are enduring security, reciprocity and national commitments to move toward peace, not use the agreement to mount more pressures, more threats. This is not a sudden revelation but at least a half-century old.

The world sees sets of Israeli-Arab negotiations as snapshots, unrelated to each other. They are really like a continuous motion picture, played over and over.

First it showed Arab states answering Israel's creation by vowing to fight it to the death — the real story line. Scene after scene then showed Arabs following armistices by military and economic pressures.

After Israel returned to Egypt the huge Sinai Desert, captured in 1967 during one of the Arab wars against Israel, Egyptians made the agreed peace so nasty that it became not even cold peace but cold war.

In 1994, when the Labor government offered to return the Golan Heights to Syria, the local dictator recoiled in horror at the price: real peace.

Now Mr. Netanyahu, at great political risk, is going along with the Hebron turnover.

He did not get all the security guarantees he wanted. But Natan Sharansky, the former Soviet freedom fighter and one of the most respected members of the Netanyahu cabinet, tells me that Israel got enough so that he can vote for the agreement. He adds that the new Arafat condition, an automatic timetable for more withdrawals without regard to Palestinian conduct, cannot be accepted.

Ever since his election, Arab reaction to Mr. Netanyahu has been revealing. The Egyptians distribute a sewer full of vile articles about him. In general, the Arab world acts as if Israelis had no right to change governments, not unless the new one pleases them. The world nods in sympathy with Arab anger.

Mr. Arafat is continuing a tested and often successful policy — concentrate Western and Arab pressure hard against Israel when it displeases Arabs or resists their demands. Count on pressure, and terrorism, to soften Israel. Then move on — next scene, same movie.

Mr. Netanyahu has his own strategy. He wants to show the world he is negotiating in good faith, even within an Oslo agreement that he and his supporters distrust.

If Palestinians return the good faith, fine for all. If not, Mr. Netanyahu will theoretically be free to say that Oslo did not work, and to insist on something new: getting something for something, like acceptable security and boundaries, and tangible reciprocity, not uncashable IOUs.

Meanwhile, he is subduing his own political personality and emphasis on of Palestinian noncompliance. There is a limit to how long he can do that.

Mr. Netanyahu's strategy has the United States in mind, perhaps too much. If it works, there can be another party on the White House lawn. If not, Mr. Clinton should give the Israeli leader something better. He can take U.S. pressure off Israel to sign agreements that cannot lead to peace.

And he can back two out of the three conditions for peace that Mr. Netanyahu outlined to Congress: security and reciprocity. The third, a democracy as negotiating partner, remains of course a fantasy.

The New York Times.

Yes, Russia as an American Ally

By Ira Straus

WASHINGTON — While Russia and the West quarrel noisily over NATO expansion, pro-Westerners in Russia have been plugging for a way out in which both sides win — by having Russia itself join NATO. Now they need the West to show that it is genuinely interested in having Russia as an ally.

Ever since 1991, the top Russian leadership has included people who are called "Atlanticists," meaning that they recognize the Atlantic grouping as the core of the international system and want Russia to join it. They have come to advocate political membership for Russia in NATO — that is, joining the North Atlantic Council — as the step which makes the most sense at this time.

This would not yet mean membership in the integrated command of NATO, since many military people on both sides are still afraid of that. But it would provide Russia with the basic status of an ally, one that is seriously consulted and not marginalized.

Once that was done, Russia would no longer have any objection to other countries joining NATO.

Ivan Rybkin, who replaced Alexander Lebed as head of the Russian Security Council, proposed this solution in November. He has been supported by Yuri Baturin, the head of the Russian Defense Council, and opposed by the foreign minister, Yevgeni Primakov, who is the leading neutralist in Moscow. The government is thus split: the two top councils are for political membership in NATO, the foreign minister against.

In fact, this understates the extent of support in Russia for joining NATO. Polls show that far more Russians view the West as an ally than as an enemy. Many people in the Foreign Ministry itself would quietly favor joining NATO.

What the neutralists argue is not that this would be undesirable but that it is impossible because the West is not interested. They add that it is counterproductive to raise the idea, since it makes Russia look weak and undercuts its opposition to NATO expansion.

If the West responds favorably to the Russian feelers on joining NATO, the anti-Westerners will be discredited, and many neutralists will come over to the Western side.

Rejecting these feelers risks just the opposite — vindicating the anti-Western forces, and discrediting the pro-Western ones.

Unfortunately, so far the West has ignored Russian gestures. When the secretary-general of NATO, Javier Solana, was asked about them, he brushed the matter off with the remark that Russia has not submitted a formal application to join NATO. But the fact is that a formal application at this moment could do damage to relations, since NATO hasn't even prepared itself to respond favorably.

Andrei Kortunov, a leading Atlanticist among the foreign policy experts in Moscow, was one of the major sources of the Rybkin overture. Now that Mr. Rybkin has made the proposal publicly several times, he feels that it is essential for the West to give a favorable response.

"After all," he wrote to me on Dec. 1, leading neutralists in Moscow "argue that it is the West that would not accept Russia in NATO."

At this critical juncture, the West needs to do three things: (1) wake up and accept in principle the idea of including Russia as a member of the political organs of NATO in some form; (2) respond in a positive way to Mr. Rybkin's trial balloon; and (3) begin serious discussions with Russia on the subject.

To wake itself up, the West needs to discuss the issue on a public level, outside of the channels that would reduce everything to a sterile exchange of notes.

This is a matter of high drama, not bureaucratic maneuver. We in the West will be able to make good on our option of having Russia as an ally only if our leaders and our people become fully aware that we have the option.

The writer, U.S. coordinator of the Committee on Eastern Europe and Russia in NATO, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Pulitzer Loses

ST. LOUIS, Mo. — The Supreme Court of the State of Missouri decided against Mr. Joseph Pulitzer in the suit brought by him to regain control of the *Post-Dispatch*, which is held by Colonel Charles H. Jones until 1901. In 1894 the *Post-Dispatch* had seriously declined in circulation, and Mr. Pulitzer turned to Colonel Jones as the man best fitted to retrieve matters, and made him editor and manager. Colonel Jones soon put the paper on its feet again, but Mr. Pulitzer still held the majority of the stock and through a Board of Directors tried to regain control.

1922: Irish Treaty

DUBLIN — Ireland's treaty for its association with the community of nations known as the British Commonwealth was ratified by 64 to 57. A provisional Government, with Griffith and Collins as heads, proceeded to form. Collins made an appeal for the support of all, to which De Valera replied: "We stood together for four years" — and collapsed into a chair, no longer being able to speak. During Ireland's new birth into liberty within the Dail, Dublin and the country at large received it with every manifestation of joy.

1947: Poland Warned

WASHINGTON — The United States accused Poland of failing to fulfill her promise to arrange for free elections, appealing to Russia and Britain to join the protest. At least one-sixth of the total Polish electorate will have no real choice in the January 19 elections because the Left-wing bloc in the government has refused its opposition, the Polish Peasant party, the right to put up candidates in those areas which have historically been Peasant party strongholds.

OPINION/LETTERS

For Peace in the Balkans, Indict Milosevic Now

By Paul R. Williams and Norman Cigar

WASHINGTON — Slobodan Milosevic's callous annulment of Serbia's municipal elections and the resulting waves of protest have caught the United States by surprise.

But the only real surprise is why the United States has yet to realize that Mr. Milosevic is not the key to peace in the former Yugoslavia, but is rather the lock on the door. In trying to unlock that door, the United States must remember that in December 1992 the Department of State identified Mr. Milosevic as primarily responsible for the commission of war crimes in the former Yugoslavia.

The United States, now more than ever, needs to support an investigation into Mr. Milosevic's responsibility for some of the worst war crimes in Europe since World War II. To sweep this issue under the rug of diplomacy will undermine the deterrent value of justice, and calls for individual revenge by the victims will be harder to quiet. The genuine peace we all seek from the Dayton accord — and democracy in Serbia — will be the victims of America's reluctance to act.

An indictment of Mr. Milosevic can be sought on these grounds:

• Direct responsibility. Whenever the Western powers, under the leadership of the United States, decide to act on their war crimes rhetoric, they may rely upon the International War Crimes Tribunal in The Hague, which, though its previous pursuit of accused Serbian war criminals, has already laid the groundwork for indicting Mr. Milosevic on the basis that the Yugoslav and Republic of Serbia forces and agencies and their paramilitary armies controlled by him committed genocide.

• Complicity. Mr. Milosevic aided the commission of war crimes by directing Serbian Republic forces and agencies under his control, including Serbia's Ministry of Defense and Ministry of Internal Affairs, to assist the organization and operation of Serbian paramilitary armies such as Arkan's Tigers, Vojislav Seselj's Chetniks and Mirko Jovic's White Eagles. Specifically, it was Mr. Milosevic who provided these paramilitary armies with weapons, training, money and transportation to Bosnia, where they were encouraged to slaughter civilians in areas secured by the regular army.

• Command responsibility. Finally, Mr. Milosevic may be indicted on his overall command responsibility for the Yugoslav Army and federal forces that tried to carry out his plans for an ethnically pure Greater Serbia. As the dominant member of the panel that controls the Yugoslav Army — the Yugoslav Supreme Military Council, and its successor, the Supreme Defense Council — Mr. Milosevic was obligated under international law to prevent his forces from committing or encouraging and enabling others to commit war crimes.

Unfortunately, the United States continues to delude itself that Mr. Milosevic is the only individual capable of ensuring that the Bosnian Serbs deliver on their Dayton promises. U.S. policy makers simply ignore that none of the provisions of the Dayton agreement have truly been put into effect, aside from the tasks directly attributable to the NATO peace force.

The obvious reason for this failure is that although it was in Mr. Milosevic's interest to sign the Dayton agreement to avoid losing the war and to secure the lifting of sanctions, it is not in his interest to promote respect for human rights, a strong Bosnian government, and certainly not the arrest and extradition of war criminals.

It can no longer be business as usual for the West. Mr. Milosevic's responsibility for war crimes, coupled with his outright contempt for basic democratic principles, must be met with renewed economic sanctions and diplomatic isolation.

As the Belgrade demonstrations continue, the United States must recognize that the key to enforcing the Dayton accords and assuring peace and democracy in the former Yugoslavia is not held by a war criminal. Instead, that key will be found by assisting the forces seeking to change Mr. Milosevic's increasingly illegitimate and repressive regime.

Mr. Williams is a senior associate at the Carnegie Endowment for International Peace. Mr. Cigar is professor of national security studies at the U.S. Marine Corps School of Advanced Warfighting. They contributed this comment to the International Herald Tribune.

Doctor-Aided Suicide: The Last Right

By Ellen Goodman

BOSTON — By any definition, these must be called landmark cases. They are described in just these terms of law and topography by everyone involved.

This Wednesday, lawyers and doctors, patients and plaintiffs

MEANWHILE

will carry the subject of death and dying over rough ethical and constitutional terrain into the U.S. Supreme Court. They will be asking the justices to point out a path across a treacherous landscape.

The question arriving at the court from opposite ends of the country is whether a state can ban doctor-assisted suicide. Can it prohibit medical treatment that will bring the death of a competent, terminally ill patient?

These cases may come from New York and Washington state, but the issue comes directly from the frontier of medical technology — the place where science "advances," and the rest of us trip along behind, struggling to keep pace and to keep control.

Not that long ago, death came as naturally as a virus or as childbirth. Today we live longer and die slower. We live with the images of breathing machines and feeding tubes, and the knowledge that there can be a fate worse than death.

Understanding this, the Supreme Court has acknowledged that competent patients must have the right to stop medical treatment. But now the highest court is being asked: Is there a crucial difference between stopping the treatment that is keeping a terminally ill patient alive and providing the drug that will hasten her death? Enough of a difference to turn a doctor who provides such assistance into a criminal?

In Washington state, an appeals court struck down such a ban on the ground that it violated a fundamental liberty. As Harvard Law School's Laurence Tribe will argue: "For the state to deny the person the right to decide they've had enough suffering, or that they don't want to spend their last days unconscious, is to deny them the only rights that are left. If one doesn't have this liberty, one has no liberty."

In New York, a second appeals court ruled against a similar ban, but this time on the grounds that it unfairly discriminated between two kinds of dying citizens. The law, they said, unjustly allows a patient on life support a right to die while denying it to a patient not on such support.

At the heart of the matter is what already happens in the real world of hospitals, doctors and patients. In a graphic and eloquent brief, Mr. Tribe describes the fate of those terminal patients, perhaps 5 percent, dying in intractable pain. He describes a system based on "winks and nods," not law.

It is not unusual, under existing bans, for doctors to withdraw nutrition. It's not unusual to prescribe "terminal sedation" and place patients in a barbiturate coma that eases the pain of a slow death by starvation or dehydration.

This may abide by the letter of the current law, but it is hard to describe terminal sedation as either more natural or more merciful. Dr. Timothy Quill, a New York plaintiff in this case, laments, "We would never put our pets through such a process."

More to the point, the fine distinction the American Medical Association and others would make between a so-called natural death and an assisted suicide begins to seem, in Mr. Tribe's words, "transparently phony."

This does not make the decision easy. Anyone who has watched the "suicide doctor" Jack Kevorkian at work approaches the subject of doctor-assisted suicide with deep reservations. So, too, anyone who knows the research about depression must be concerned about safeguards. And anyone who has dealt with the bureaucrats of managed health care must harbor second thoughts about supporting "a cost-effective death."

But the current system of winks and nods and bans is not a conservative alternative. It forces doctors to dissemble or to desert their patients at death. It leaves dying patients and families surreptitiously performing final exits. It prompts others to a preemptive suicide.

On balance — a careful balance — it is time to strike the bans on assisted suicide. In the world of medicine as it is and will be, they no longer make sense.

The Boston Globe.

LETTERS TO THE EDITOR

Croatia Responds

The article "Croatian Chief Puts U.S. in the Doghouse" *(Dec. 23)* inaccurately represents the state of relations between Croatia and the United States and misrepresents the elements that were considered relevant in the decision by Croatian Airlines to choose airplanes from Airbus over Boeing.

Since the United States recognized Croatia in April 1992, our bilateral relations have grown in scope and scale. Croatia firmly believes that the United States remains an indispensable nation in the evolving but often turbulent world order; the evidence for this is overwhelming. Therefore, Croatia has and will continue to play a constructive role in extending the European zone of peace and stability, and the norms of Western civilization and democratic standards, in cooperation with the United States and NATO.

The two presidential trade and business missions that came to Croatia last year, and meetings between the highest representatives of our countries, including very successful meetings between President Franjo Tudjman and President Bill Clinton, exemplify the steady growth of our relations.

The decision by Croatia Airlines to purchase Airbus airplanes was based on commercial considerations, not Mr. Tudjman's "disaffection" with the United States. Without getting into the details, the Airbus offer, with additional arrangements, provided more lucrative opportunities for Croatia's inclusion in international economic currents.

MIOMIR ZUZUL.
Washington.

The writer is Croatia's ambassador to the United States.

EU Interference

Regarding "The EU Is Showing Its Interventionist Colors" by Reginald Dale (Nov. 19):

Thank you, Reginald Dale, for daring to acknowledge the EU's penchant for socialistic intervention. The arguments put forward are the commonplace of political debate in Britain, but rarely heard elsewhere in Europe. Perhaps the censorship and propaganda that have been harnessed to ensure the intellectual hijack of Europe has done the trick. That it hasn't silenced debate in Britain, however, is not surprising — it tested EU-style socialism to destruction during the 1970s.

London's constant objections to the Brussels regulators are indeed tiresome for everyone, Britons included. But they are right economically, politically, morally and philosophically in ways that all the propaganda in the world cannot change. An EU in which socialistic regulation is imposed by diktat on free peoples with no democratic or legal check is an EU worth dismantling — or, failing that, leaving before the inevitable implosion.

MICHAEL TAYLOR.
York, England.

BOOKS

TINISIMA

By Elena Poniatowska. Translated from Spanish by Katherine Silver. 357 pages. $25. Farrar Straus Giroux.

Reviewed by
Alma Guillermoprieto

SHE was always a quiet woman, and she withdrew further into silence with every passing year until at last the absence of words made her almost invisible. And yet right through her final days she lived one of the most dramatic and improbable lives of the 20th century: Tina Modotti, Italian immigrant's daughter, local beauty, San Francisco bohemian, Hollywood silent-movie actress, disciple and lover of the American photographer Edward Weston and also of a stunningly handsome Cuban revolutionary, Julio Antonio Mella, who was shot to death on the streets of Mexico City with Modetti by his side.

Modotti met and fell in love with Mella in Mexico, where she had arrived with Weston in 1923. Within weeks of her arrival, her dark, slow-burning beauty was celebrated in bohemian circles. She modeled for Diego Rivera and was also the subject of some of Weston's most ravishingly erotic studies, but under Weston's guidance Modotti also developed as a photographer in her own right. Her early photographic work was almost abstract — intense close-ups of flowers, stairs or doors marked by an unmistakable spare stillness.

Modotti's beauty and achievements during this period would have been enough to ensure her a place in legend. Indeed, earlier, well-known biographies of her, by Mildred Constantine and Margaret Hooks, focus in greatest detail on Modotti's life up to the tragic moment of Mella's death. But her biographers seem at a loss when it comes to chronicling the final years of Modotti's life, and understandably so, for this bewitching and ultimately opaque woman went on to become a secret agent for Moscow's International Red Aid — a de facto branch of the Comintern — at the height of the Stalin era and a principal Red Aid representative in Madrid during the Spanish Civil War. How can one explain this life-loving bohemian's transformation into a secret agent?

"Tinisima," a beautifully produced, barely fictionalized biography by Elena Poniatowska — who is Mexico's pre-eminent woman of letters — delves most deeply into this final period. The information she provides allows us to speculate that, in her inconsolable mourning for the revolutionary Mella, Modotti chose an alternate form of suicide: entombment in the airless world of clandestine operations.

This second, deadened part of Modotti's life began in 1926, shortly after she separated from Weston and made the decision to stay in Mexico. Under the mentorship of a new lover, the Mexican muralist Xavier Guerrero, she became an active member of the Mexican Communist Party, joining the company of a great many Mexican artists and intellectuals, including Diego Rivera, whose approach to revolution was always rather festive. Guerrero, however, was orthodox, and under his guidance Modotti endeavored to make her photography heroic and revolutionary. The strain of that effort shows in much of her later work.

Modotti then fell passionately in love with the Cuban revolutionary Mella, but within months he was to die in her arms from a bullet wound. Absurdly accused of the assassination by the Mexican police, Modotti fled the country in 1929. She had friends, family and strong roots in the United States, but rather than head home she wound up in Moscow with Vittorio Vidali, an Italian revolutionary who was to become the Soviet Union's most important — and infamous — military commander in the Spanish Civil War.

Poniatowska's account of Modotti's final years is somber and riveting. Modotti ferried encoded messages, false passports and money from Moscow to every part of Europe. Transferred to Spain, she worked tirelessly for the Republican cause in Madrid while keeping an eye out for dissidents. She never again took a photograph.

Poniatowska is the author of one of the very greatest novels of the Mexican 20th century: "Hasta no verte Jesus mio" (roughly, "Until I Don't See You, My Jesus"). At her best, she has a driving tragic power that is easily the match of the most tumultuous life, but in "Tinisima" she forgoes her usual unsparing vision for breathless sentimentality. In Poniatowska's hands the contradictory, impulsive and adventurous Modotti is never less than divine. (The author even manages to gush over the self-consciously slapdash — and very 1920s — punctuation of Modotti's love letters to Weston: "She turned periods into dashes and exclamation marks into lightning bolts.")

Fortunately, a life like Modotti's can withstand an entire avalanche of this kind of adoring prose. And, despite the failings of the book, Poniatowska's meticulous account of Modotti's dark sojourn in the Soviet Union greatly contributes to our knowledge of a woman who will fascinate generations to come.

Alma Guillermoprieto, whose most recent book, "The Heart that Bleeds," is a compilation of her essays about Latin America, wrote this for The Washington Post.

BEST SELLERS

New York Times

This list is based on reports from more than 2,800 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

This Week		Last Week	Wks on List
	FICTION		
1	AIRFRAME, by Michael Crichton	1	3
2	EXECUTIVE ORDERS, by Tom Clancy	4	19
3	THE CHRISTMAS BOX, by Richard Paul Evans	2	21
4	SILENT HONOR, by Danielle Steel	3	7
5	DESPERATION, by Stephen King	6	13
6	THE NOTEBOOK, by Nicholas Sparks	5	11
7	THE FALLEN MAN, by Tony Hillerman	7	5
8	THE CHRISTMAS TREE, by Julie Salamon	9	3
9	THE DEEP END OF THE OCEAN, by Jacquelyn Mitchard	8	15
10	MY GAL SUNDAY, by Mary Higgins Clark	10	10
11	THE LAWS OF OUR FATHERS, by Scott Turow	11	10
12	THE REGULATORS, by Richard Bachman	14	13
13	FALLING UP, by Shel Silverstein	12	28
14	THIS YEAR IT WILL BE DIFFERENT, by Maeve Binchy	15	4
15	THE THIRD TWIN, by Ken Follett	13	9
	NONFICTION		
1	A REPORTER'S LIFE, by Walter Cronkite	1	3
2	MY SERGEI, by Ekaterina Gordeeva with E. M. Swift	2	8
3	THE DILBERT PRINCIPLE, by Scott Adams	5	36
4	ANGELA'S ASHES, by Frank McCourt	7	16
5	DOGBERT'S TOP SECRET MANAGEMENT HANDBOOK, by Scott Adams	6	11
6	FOREVER, ERMA, by Erma Bombeck	3	8
7	EVERYONE IS ENTITLED TO MY OPINION, by David Brinkley	4	6
8	LIVING FAITH, by Jimmy Carter	10	5
9	I'M NOT REALLY HERE, by Tim Allen	8	5
10	DOWN IN THE GARDEN, by Anne Geddes	9	7
11	UNDAUNTED COURAGE, by Stephen E. Ambrose	14	41
12	JAMES HERRIOT'S FAVORITE DOG STORIES, by James Herriot	12	14
13	GIFT AND MISERY, by Pope John Paul II		1
14	SLOUCHING TOWARDS GOMORRAH, by Robert H. Bork	15	14
15	MY STORY, by Sarah, the Duchess of York, with Jeff Coplon	11	6
	ADVICE, HOW-TO AND MISCELLANEOUS		
1	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	1	39
2	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	2	189
3	MAKE THE CONNECTION, by Bob Greene and Oprah Winfrey	3	15
4	THE ZONE, by Barry Sears with Bill Lawren	4	42

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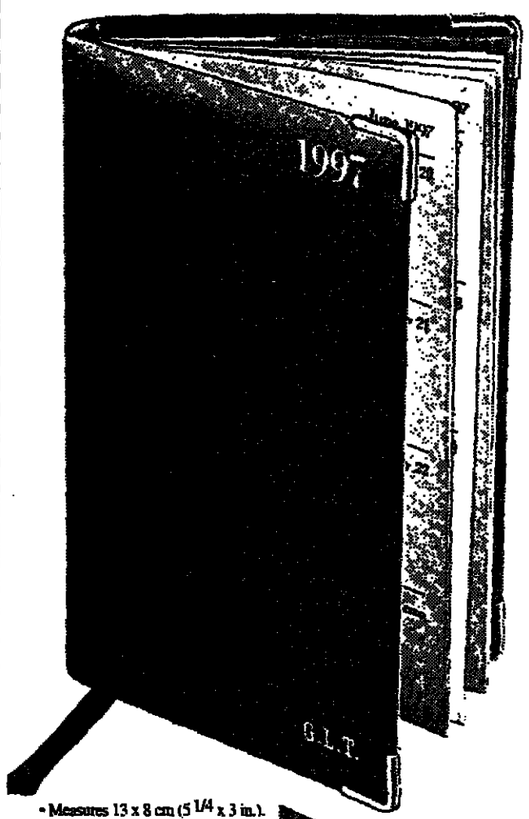

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STAGE/ENTERTAINMENT

TOMORROW: HEALTH SCIENCE

Mega Movies Equals Mega Anxiety in Hollywood

By Bernard Weinraub
New York Times Service

LOS ANGELES — Movie studio executives, who are generally overpaid and overstressed, are also overwhelmed with panic as the New Year begins.

At the least, 12 blockbusters, and possibly 14 or 15, will be released this year, each at a cost of $100 million or more. Never have so many movies been released in a single year that cost so much. At stake is not just money but, with several of these films inevitably failing, some top-level jobs in Hollywood.

"Somebody will fail — and when it fails at this level it's real ugly," said *Larry Gerbrandt, a senior analyst with* Paul Kagen Associates, a research and consulting firm. "What we're seeing here is the inevitability of a train wreck. This time next year, we'll be talking about some very large write-offs at somebody's studio. There's going to be blood on the floor."

William M. Mechanic, chairman of Fox Filmed Entertainment, preferred another metaphor to describe the coming clash of the blockbusters. "We're setting off supertanker versus supertanker," he said. "You can lose a fortune now on one movie. If a couple of these fail there's going to be an echo all over town."

Joe Roth, chairman of Disney Studios, said: "If we had a couple of these and they didn't work, I'd expect to be unemployed. Everybody believes they've got the successful ones. The ones that aren't successful — *people will lose their jobs.*"

Compounding the anxiety of executives at such studios as 20th Century Fox, Warner Brothers, Universal, Sony Pictures and Paramount is that the bulk of these films will open within a brief time span: the peak movie-going months of the summer. The result is that these action-adventure films — which are aimed basically at the same group, teenagers and men in their 20s — will collide every weekend in June and July.

"This causes everyone to be even more desperate for a free and clear weekend and adds considerably to the marketing costs to break through the clutter," *said Harold Vogel, an analyst* at Cowen & Co. (Studio chiefs are notoriously elusive about the costs of a movie and often manage to avoid disclosing how much money is doled out to *market a film, especially a blockbuster,* whose promotion budget may reach at least $30 million, perhaps $40 million).

The high-stakes battles have already started, as two mega-expensive movies about volcanoes clashed in the effort to open first. The films are *Universal's* "Dante's Peak," and Fox's "Volcano." Film editors and post-production staff at both studios worked feverishly to gain first position. Universal, which was ahead anyway, won. "Dante's Peak" opens Feb. 7. "Volcano" will open in May or the fall.

OTHER films have frightened *away competitors. Steven* Spielberg's "The Lost World: Jurassic Park," the sequel to "Jurassic Park" seems to have Memorial Day to itself, but the July 4 weekend has two blockbusters, Sony's "Starship Troopers," Paul Verhoeven's epic about giant spiders, and Fox's "Speed 2," in which a boat replaces that bus.

Other mega-films include James *Cameron's "Titanic," about the giant* ocean liner's tragic maiden voyage, a movie whose costs are shared by Paramount and Fox; Warner's "Batman and Robin," with George Clooney, Arnold Schwarzenegger, *Uma Thurman and* Chris O'Donnell, and directed by Joel Schumacher; Fox's "Alien 4: Resurrection," starring Sigourney Weaver, and Sony's "Men in Black," a science *fiction comedy-drama starring* Tommy Lee Jones and Will Smith and directed by Barry Sonnenfeld.

The films that took in the most money at the box office in 1996 were two extravaganzas: Fox's "Independence Day," which grossed $306.2 million domestically, and Warner and Universal's "Twister," which hauled in $241.7 million.

"Visual effects have opened up choices that didn't exist before," said Lorenzo di Bonaventura, president of theatrical production at Warner. "Before, filmmakers' imagination had to stop because there was no way of solving certain special effects problems. Now there's no boundary at all. And this costs money."

But the risks of overspending — and allowing studios to be held virtually hostage by directors whose egos are sometimes as big as their budgets — is implicit in the rush to make blockbusters.

"When you get a world-class filmmaker involved, it's hard not to back him all the way — and that may come at a cost," said Mark Canton, the former chairman of Columbia/Tristar.

Retooling Charlie Chan for '90s

By Somini Sengupta
New York Times Service

NEW YORK — Charlie Chan, the cherubic Chinese detective with the dainty step and a belly full of fortune-cookie wisdom, is about to be resurrected. This time, however, he will be played by a Chinese-American.

Russell Wong, best known for his role in the syndicated television series "Vanishing Son," will star as the new Chan, a Chan for the '90s — hip, slim, cerebral, sexy and (what else?) a martial-arts master, says Cary Granat, senior executive vice president at Miramax Films.

Miramax has bought the rights to the franchise and hopes to produce several films based on the popular 1930s and '40s series in which first Warner Oland, and then Sidney Toler and Roland Winters, played the detective in 44 films. The studio has selected Steven Soderbergh to direct the project.

The old Charlie Chan films, drawn from the novels of Earl Derr Biggers, *have come under attack by Asian-Americans* not only because Chan was played by a white man but also because many see the character as the stereotypically inscrutable Oriental. To some, in fact, he now comes across as the lovable counterpart to the diabolical Oriental genius of the 1930s, Fu Manchu. (Oland, who died in 1938, also starred in a couple of Fu Manchu films.)

There have been several recent adaptations. In 1981, Peter Ustinov starred in "Charlie Chan and the Curse of the Dragon Queen," a slapstick Chan remake, and Wayne Wang's 1982 sleeper hit, "Chan Is Missing," poked fun at the old Chan. More recently, the playwright David Henry Hwang, a Tony Award winner, wrote a screenplay in which Charlie Chan's son discovers his father's true identity: a white man in yellowface. That *film was never made.*

Shane Sato
Russell Wong will be the new Chan.

Now audiences will be offered Miramax's new Chan, a private detective who is the old Chan's grandson. "We're going to have a smart, deductive action hero," Granat said, adding that studio executives had not yet decided whether the new Chan would also be named Charlie.

For Wong, a 33-year-old native of Albany, New York, the three-picture deal with Miramax promises to be his biggest break. It was just 13 years ago that he went to Hong Kong to pursue an acting career, discouraged by the dearth of roles for Asian-American men in this country. "It was like, I've got to go out of my own country to make a living," he recalled. "It was disheartening."

In Hong Kong, Wong starred in a Chinese film similar to "Flashdance" and was discovered by the producers of the 1986 movie "Tai-Pan." He returned to the United States for a part in Abel Ferrara's "China Girl" in 1987, then appeared in "Eat a Bowl of Tea" in 1989 and "The Joy Luck Club" in 1993. He is currently at work on his first Miramax film, "Ashtown." The Chan films will bring him his first starring roles in the United States.

THE imminent revival of Charlie Chan is drawing mixed reactions from Asian-Americans. Some are disgusted and others delighted, while still others are curious though skeptical. Bill Gee, executive director of Asian Cinevision, which produces the annual Asian-American Film Festival in New York, said he hoped the *films would buoy Wong's profile as an* Asian-American action hero. "We hope they do it right," said Gee. "I'm assuming it will avoid the stereotypes."

But the playwright and novelist Frank Chin shot back that a new Chan would only revive an old racist notion of the asexual and servile Chinese man, regardless of the star. "Charlie Chan will always be a symbol of white racism, no matter who plays him," he said. "If you put a black man in a hood, does that make the Ku Klux Klan a civil rights organization?"

Gueorgui Williams/The New York Times
Brenda Fassie, who combines elements of Kurt Cobain and Bette Midler, at her recording studio.

Africa's Self-Destructive Pop Diva

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — For behavior that never fails to make news, even after 14 years as a pop star, Brenda Fassie is known as South Africa's black Madonna.

But in truth, she vacillates between nearly being its Kurt Cobain (flirting with drugs and suicide) and sometimes being its Bette Midler (motherly in a wacky way).

Eighteen months ago, she was found comatose in a hotel bed next to her 21-year-old lesbian lover, who was dead of a cocaine overdose. In September, a local reporter says, she tried to throw herself under a truck, missed and lay in the street until a driver beat her with a whip and a neighbor's *child helped her home.* She denies it.

Recently, she was swigging alcoholic cider in her living room and explaining compound interest to her 12-year-old son, Bongani, who had just learned that she bought a certificate of deposit in his name a few years ago, when she had some money.

Fassie should have more money. She was named best female vocalist of 1995 in the All-Africa Music Awards in September and is recording with Papa Wembe, one of Africa's most popular artists. Her new album, "It's My Time," which came out last month, has already gone gold.

But Africa is a poor continent, where "going gold" means selling a mere 25,000 copies rather than half a million, and she sometimes still performs at beauty contests and soccer games, changing before the show in the back of a car. She drives a red sports car but has little furniture in her house in a rundown, mixed-race neighborhood of Johannesburg, and *was on the phone recently* with her manager, literally begging for $500.

Most of the money she once made disappeared into crack binges and supporting nine brothers and sisters. She once donated $10,000 in royalties to a fund for survivors of a massacre and was immediately asked by her son's school how she afforded that when his tuition hadn't been paid.

In a house overrun for the holidays with children and relatives, a friend squatting to drink a mixture of cream and sorghum beer reached up to touch her stomach in what was unmistakably a baby-check. Asked about it, she blushed, denied it, then said she wouldn't talk about it until she knew more.

For all her contradictions, Fassie can be charming. She isn't conventionally beautiful, but has the eyes of Eartha Kitt and the same eat-you-for-dinner smile.

SHE had her first big hit at 19, in 1983, at the height of the struggle against apartheid, when she was what one critic called "young, black and bolshy, a mascot for the oppressed." She was tiny, jitterbugged in skin-tight spandex, and sang about everything from her resentment at being a married man's "Weekend Special" to wanting to see Nelson Mandela freed from prison.

She is an electric performer who teases audiences in three languages, but she makes promoters nervous. She has been known not to *show up and to refuse to go* on. In the charged townships where she was performing, that has sparked riots in which people were killed.

She denies trying to kill herself in September, saying she has a resurrected career, a son and a new boyfriend to live for. The local reporter, Elias Maluleke, insists that neighbors saw the incident, and that Fassie talked to him about her despondency for an hour in her kitchen afterward, while he smelled crack smoke in the house.

Fassie says she never spoke to Maluleke and is off cocaine, for which she has gone through three stays in rehabilitation clinics, paid for by her record company, which has said it will cut her off if it happens again. The pull of the drug is still strong.

"When it comes," she said, "I tell my boyfriend to pretend to love me more. I go to movies. I never used to go to movies."

In interviews, the comparison to Madonna seems ridiculous. Madonna is a study in calculation; Fassie is all impulse. She cannot sit still, leaps to answer phones that aren't even hers, peremptorily *sends people out for* things like artificial fingernails and ice cream bars. She brags that she'll tell anybody who her sexual partner was the previous night.

She says she was "so happy when Nelson Mandela was let out that I slaughtered three cows," then in the same breath, she says she's his niece and calls him "that bloody jailbird." She quickly explains that she's really just a member of the same Xhosa clan as Mandela and gasps, "Oooh, I *didn't say that*" about the jailbird comment.

Young Musicians Have Their Day

By David Stevens
International Herald Tribune

PARIS — The phenomenon of the youth orchestra looks like it is here to stay, probably because it is not just a feel-good idea, but fills a real gap in the continuity of professional musical development.

That gap is the transition between conservatory training and absorption into professional life. The modern youth orchestra is a kind of graduate school with a first-rate specialized faculty and the chance to perform under the likes of a Bernstein or an Abbado — great conductors with a penchant for teaching. One of the earliest of its kind must have been the All-American Youth Orchestra, founded by Leopold Stokowski in 1940, after his 25 years of creating the "*Philadelphia sound.*"

The Orchestre Francais des Jeunes was created in 1982 by the Cultural Ministry on the model of existing enterprises in other countries, mainly the United States, Britain and Germany.

Every year a series of auditions beginning in the country's leading conservatories narrows a field of hundreds down to an orchestra of 90 musicians between the ages of 18 and 26. The main summer session of about six weeks is broken down into three sessions: one of working in instrumental groups under the tutelage of first-desk players from leading orchestras, followed by full orchestra rehearsals, and then a brief tour of public performances.

Since 1992 the principal conductor has been Marek Janowski, whose gifts as an orchestra builder have been amply demonstrated in a dozen years of reshaping the French Radio's Orchestre *Philharmonique. And since 1993, the or*chestra has had a home base in the spa atmosphere of Vichy, which has a charming and recently renovated theater.

This year, besides the regular late summer concerts, the orchestra was reassembled for two Paris concerts during *the year-end break. Under Janowski in* the main concert hall at the Cite de la Musique it gave a stunning demonstration of professionalism reinforced by youthful enthusiasm.

It was model of restraint and collective delicacy in providing the accompaniment for Raphael Oleg's brilliantly refined reading of Prokofiev's Violin Concerto No. 1, and the Beethoven Fourth Symphony was as energy-charged and solidly structured as almost any professional band could wish for. In the "Rosenkavalier" suite that ended the evening the sheer exuberance that went with the virtuoso handling of *Strauss' dazzling shower of notes per*haps ran away with itself.

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International Herald Tribune
BUSINESS/FINANCE

Talk of Bids Lifts Shares Of Olivetti

Zanussi President Said To Seek Part of PC Unit

Compiled by Our Staff From Dispatches

MILAN — Olivetti SpA shares soared more than 7 percent Tuesday amid expectations that the Italian office-products company was close to selling its unprofitable personal computer unit.

The newspaper Il Sole-24 Ore said that the president of Zanussi SpA, the household electrical goods company, would join Centenary Corp. to buy Olivetti's personal computer business for about 200 billion lire ($130 million). Zanussi is owned by Electrolux AB.

It reported that Zanussi's president, Gianmario Rossignolo, might become president without operational responsibilities if the bid succeeded. He might also take a stake of up to 1 percent in Olivetti PC.

Olivetti's chief executive, Roberto Colaninno, said in October that the sale of some assets, including the personal computer business, would be concluded by the end of 1996, but no sales have yet been made. In December, Mr. Colaninno said that the sale of the personal computer business would take longer than he had expected.

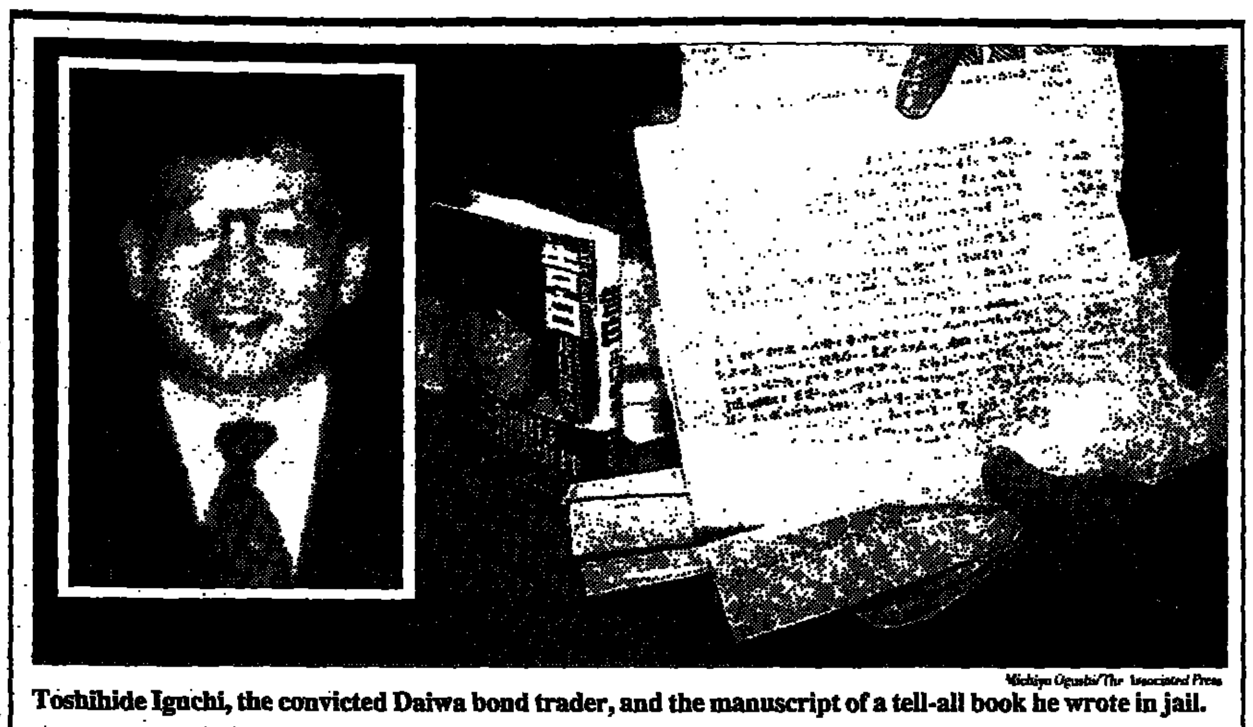
Two American financiers, Gary Klesch, and Bennett LeBow, who control the Brooke Group Ltd. tobacco company, offered less than 100 billion lire for the business just before Christmas, a banker familiar with the bid said.

Olivetti's personal computer division accounts for one-fifth of Olivetti's revenue, with sales in 1996 of 2.2 trillion lire. It is expected to report a loss of 150 billion lire to 250 billion lire in 1996, the banker said.

Regarding the reported participation of Zanussi's president in the bid, a spokesman said, "We can only confirm that Gianmario Rossignolo is present in the chain that is led by Centenary."

An Olivetti spokesman declined to comment on the talks. Edward Gottesman, the London-based lawyer who oversees Centenary, also declined.

Investors, though, made their bets that Olivetti would manage to get rid of the business. Olivetti shares rose 40, to 587. *(AFP, Bloomberg)*



Michiyo Ogushi/The Associated Press

Toshihide Iguchi, the convicted Daiwa bond trader, and the manuscript of a tell-all book he wrote in jail.

Daiwa Bond Trader Has His Say

By Velisarios Kattoulas
International Herald Tribune

TOKYO — In a book written from his jail cell, the former Daiwa Bank trader at the center of a $1.1 billion bond scandal in New York turns the tables on his accusers, portraying Japanese and U.S. banking regulators as inept and accusing his former employer of complicity for trying to hide his illegal acts.

In the book, Toshihide Iguchi insists that U.S. and Japanese regulators and Daiwa Bank Ltd. were heaping all the blame for the scandal on him when they, too, were responsible. Last month, a U.S. judge confiscated Mr. Iguchi's home, fined him $2.6 million and sentenced him to four years in jail.

In early 1994, Mr. Iguchi writes in "The Confession," Finance Ministry regulators visiting the bank's New York branch, where Mr. Iguchi was head bond trader, finished in one day inspections that were supposed to last one week. The regulators then visited Las Vegas on their way back to Japan, Mr. Iguchi writes.

In 1992, he writes, U.S. Federal Reserve Bank regulators, one smelling strongly of alcohol, finished in 15 minutes inspections that were supposed to last two days while Daiwa Bank tried to hide Mr. Iguchi's suspicious trades by filling its New York trading room with cardboard boxes so regulators would think it was for storage.

Mr. Iguchi contends that examiners from the U.S. central bank suspected improprieties at Daiwa as early as 1993. The scandal strained ties between Japan and the United States after U.S. regulators accused their Japanese counterparts of withholding knowledge of the illicit trades for nearly two months after they had been told about it by Daiwa, Japan's 10th-largest commercial bank.

Japanese regulators and Daiwa Bank executives did not immediately respond to the allegations in the book. A spokesman for Daiwa Bank, Keizo Tsujiyama, told Bloomberg Business News that the bank was not consulted on the project.

A spokeswoman for the Federal Reserve Bank of New York said Tuesday the bank had no comment on Mr. Iguchi's assertions.

The book was written by Mr. Iguchi on loose sheets of paper in a Manhattan jail while he was awaiting trial after confessing to incurring $1.1 billion in losses on illegal bond trading, according to the publisher, Bungei Shunju, which will release the book for sale on Jan. 16. Excerpts were provided to reporters on Tuesday.

Bungei Shunju declined to disclose how much it had paid Mr. Iguchi for his story but said authors commonly received about 10 percent of sales as royalties for such books and that the initial printing would run to 40,000 copies at 1,500 yen ($12.96) each.

The book is an account of how Mr. Iguchi, 45, incurred and then hid the losses on U.S. Treasury bond trading during an 11-year period starting in 1984, Bungei Shunju said.

It also delves into the activities of U.S. and Japanese regulators and Daiwa Bank executives, to which Mr. Iguchi is said to have become familiar after the Fed asked him to read and translate 100 boxes of confidential letters and memorandums between the bank and regulators in both countries to help it with its investigation.

Daiwa, which was fined $340 million and expelled from the United States for its role in covering up Mr. Iguchi's losses, unveiled them in September 1995. Soon afterward, he was arrested and he pleaded guilty to hiding losses by making illegal trades and forging documents.

Group Cuts Forecast For German Growth

DIW Cites Sluggish Spending

Compiled by Our Staff From Dispatches

BONN — One of Germany's leading economic institutes Tuesday lowered its forecast for 1997 growth to 2 percent and said Germany was likely to miss the deficit target for the first round of European monetary union.

In October, the institute, DIW, and its five peers, had forecast that Germany's gross domestic product would grow 2.5 percent in 1997.

"German budget policy is in a rut," the institute said, adding that the "economic rebound of the past few years has been by far the weakest" in the Federal Republic's history.

In addition, the institute said "domestic demand has not so far given any visible boost to exports. Private consumption and industrial investment had difficulty in recovering in 1996."

The Berlin-based research institute, which is closely affiliated with labor unions, also raised its forecast for 1996 growth to 1.5 percent from a November forecast of 1.25 percent. The government will release 1996 data Thursday.

DIW said Germany's public-sector budget deficit was likely to be about 3.4 percent of gross domestic product this year, down from 3.9 percent last year, but above the 3 percent required to join the planned single European currency.

Data for 1997 are crucial because they will form the basis for deciding which countries will participate in European monetary union at its planned start on Jan. 1, 1999.

The institute also said German unemployment could climb to a record 4.5 million. Unemployment in November 1996 was 3.9 million before seasonal adjustment. Jobless data for December also are due for release Thursday.

Meanwhile, the Economics Ministry said Tuesday that industrial orders rose 0.5 percent in November on a seasonally adjusted basis, after a 2.7 percent increase in October.

Austria said it was on target to join the single currency. Page 13.

Economists said the November figures confirmed estimates for moderate economic growth in 1997 and reinforced expectations that interest rates would not be changed.

The president of the Bundesbank, Hans Tietmeyer, said Tuesday the German central bank did not need to cut rates again to stimulate growth because Europe's largest economy appeared headed toward its fourth consecutive quarter of expansion.

"The conditions for an economic upswing are clearly in place," Mr. Tietmeyer said in a newspaper interview. "There is no need to change our interest rate policy at the moment." *(Reuters, AFP, Bloomberg)*

A Wall Street Pension Windfall?

By Brett D. Fromson
Washington Post Service

WASHINGTON — The announcement that a U.S. presidential advisory council supports investment of Social Security payroll taxes in stocks could be good news for Wall Street.

Under a proposal announced Monday, investment management and administrative fees could total $240 billion from 1998 to 2010, according to an actuary, David Langer. He calculates that under a second, less-radical option, fees would total $75 billion in the same period.

"The numbers are mind-boggling," Mr. Langer said. "Now you know why our big financial institutions are the major proponents of this. They have tried to remain in the political background because of the size of money we are talking about."

There is a third proposal that would generate minimal fees, in the range of a few billion dollars. The vast majority of Wall Street executives and lobbyists oppose it.

Wall Street executives, who declined

See STOCKS, Page 12

MEDIA MARKETS

Papers Wonder What to Do on the Web

By Laurence Zuckerman
New York Times Service

NEW YORK — When two suspects in the highly publicized rape and murder of a Philadelphia jogger were arrested one morning in November 1995, Fred Mann, the general manager of Philadelphia Online, the Internet site of The Philadelphia Daily News and The Philadelphia Inquirer, sought out the editors of both newspapers to see if either would provide a breaking news report for on-line readers.

"We needed to get the news up right away," Mr. Mann said recently, recalling the intense coverage of the case by local news organizations.

But because the newspapers' two editors were worried about tipping their hands to each other as well as to other competitors in radio and television, both refused to cooperate.

Philadelphia Online, which is run out of the same building that houses the two Knight-Ridder Inc. newspapers, ended up running news agency reports about the arrests until early the following morning, when The Inquirer and The Daily News went to press.

"That is an example of what we should not be doing," Mr. Mann said. "It's pretty silly."

It also is still commonplace.

Virtually all of the hundreds of sites on the World Wide Web set up by U.S. newspapers still do not take full advantage of one of the Internet's most compelling features: its immediacy.

Instead, most papers, including The Washington Post, The Los Angeles Times and The New York Times, rely on reports from news agencies to update their sites during the day, while holding back on what their own journalists have discovered until the actual papers are nearly on the street.

"The whole idea of scooping ourselves is troubling to a lot of people," said Bob Ryan, the director of Mercury Center, the Web site of The San Jose Mercury News of California, which was one of the earliest newspapers to set up a Web site. "There are grave concerns within the newspaper industry about the extent to which new media are going to cannibalize the existing services that we provide to our customers."

But as the Internet matures and competition emerges from nontraditional publishers such as America Online Inc., Time Warner Inc.'s Cable News Network and Microsoft Corp., pressure is building on newspaper publishers to break down the walls between their print and digital publications, or risk losing their readers.

"It is not a question of if but when," said Nick Donatiello, chief executive of Odyssey LP, a market research firm based in San Francisco that specializes in new media. "The whole idea that 10 years from now editors will be able to hold back a newspaper until it comes out as ink on paper is not consistent with how consumers have been behaving."

Newspapers are not alone in hoarding their most compelling content until their print versions appear. Most magazines, including Time; Newsweek, which is a unit of Washington Post Co.; and U.S. News & World Report, do the same.

Instead, many publications prefer to take advantage of the Internet's limitless space and interactivity by posting transcripts, documents and other supporting information about the articles they have published and by playing host to on-line discussions. Several newspaper Web sites also have separate editorial staffs that produce special reports and original articles that do not directly compete with their parent publications.

Today, around-the-clock publishing is very different from what modern newspapers are used to. Having consolidated over the past 20 years, the newspaper industry is now dominated by large monopoly papers in most cities. Lack of competition and a focus on ringing up more profits for Wall Street has caused many papers to cancel their early morning and afternoon editions to focus on a single morning edition.

Publishing on the Internet requires a return to the way print journalism was practiced in a previous generation when big-city newspapers printed multiple editions throughout the day, and reporters phoned in updates hourly to rewrite editors back in the newsroom.

Because newspaper Web sites have only a fraction of the readers that the paper itself attracts, few, if any, are profitable, and even their staunchest proponents are reluctant to predict when they might ever become so.

Most are considered experimental and

See WEB, Page 15

CURRENCY & INTEREST RATES

Cross Rates

Jan. 7

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7555	2.9765	1.1224	0.3324	0.1143*	—	5.4435*	1.296	1.5217*	1.2925	1.3345*
Brussels	32.25	54.705	20.605	6.0965	2.0961*	18.3585	—	23.78	0.2780	23.68	24.50*
Frankfurt	1.5622	2.6448	—	0.2959	0.1018*	0.8911	4.8534*	1.1547	1.3539*	1.1487	1.189*
London (a)	1.6853	—	2.6423	8.9467	2,603.57	2.9754	54.5879	2.2937	195.462	2.3027	222.975
Madrid	138.416	222.619	84.117	24.863	8.561*	74.949	4.0825	97.194	113.908*	96.523	—
Milan	1,536.25	2,602.90	982.45	290.39	—	876.75	47.653	1,132.90	13.282	1,125.85	11.679
New York (b)	—	1.5948	1.5643	5.2838	1,538.80	1.7542	32.22	1.3535	116.195	1.3563	131.405
Paris	5.2775	8.9467	3.3795	—	0.3372*	3.0108	0.1640	3.9801	4.5849*	3.8913	4.0214*
Tokyo	115.85	196.19	74.14	21.95	0.755	66.87	3.5989	85.62	—	84.87	0.882
Toronto	1.3563	2.2984	0.8671	0.2567	0.0883*	0.7738	0.4211*	1.002	1.176*	—	1.032*
Zurich	1.3536	2.2948	0.8663	0.2563	0.0807*	0.7714	4.2035*	—	1.1739*	0.9946	1.0298*
1 ECU	1.2459	0.7355	1.9466	6.5803	1,912.57	2.1847	40.1077	1.6847	143.747	1.6964	163.72
1 SDR	1.4349	0.8424	2.2407	7.5784	2,202.65	2.516	46.1728	1.9415	166.381	1.9597	188.537

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	245.48	Mex. peso	7.841	S. Afr. rand	4.667
Australian $	1.2682	Hong Kong $	7.7385	N. Zealand $	1.4112	S. Kor. won	844.60
Austrian sch.	10.988	Hung. forint	162.49	Norw. krone	6.457	Swed. krona	6.9627
Brazil real	1.0399	Indian rupee	35.885	Phil. peso	26.29	Taiwan $	27.49
Chinese yuan	8.328	Indo. rupiah	2362.13	Polish zloty	2.88	Thai baht	25.63
Czech koruna	27.23	Irish £	0.5992	Port. escudo	156.48	Turkish lira	109255.
Danish krone	5.9582	Israeli shek.	3.345	Russ ruble	5594.0	UAE dirham	3.6705
Egypt. pound	3.392	Kuwaiti dinar	0.2994	Saudi riyal	3.7497	Venez. boliv.	475.50
Fin. markka	4.6885	Malay. ring.	2.4987	Sing. $	1.4025		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6934	1.6920	1.6907	Japanese yen	114.95	114.50	114.07
Canadian dollar	1.3582	1.3557	1.3530	Swiss franc	1.3466	1.3429	1.3389
Deutsche mark	1.5588	1.5560	1.5529				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 7

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	3 - 3 1/8	1 9/16 - 1 11/16	6 3/16 - 6 5/16	3 1/4 - 3 3/8	3/8 - 1/2	4 3/16 - 4 5/16
3-month	5 3/8 - 5 1/2	3 - 3 1/8	1 5/8 - 1 3/4	6 5/16 - 6 7/16	3 1/4 - 3 3/8	3/8 - 1/2	4 3/16 - 4 5/16
6-month	5 1/2 - 5 5/8	3 - 3 1/8	1 9/16 - 1 11/16	6 3/8 - 6 1/2	3 5/16 - 3 7/16	3/8 - 1/2	4 3/16 - 4 5/16
1-year	5 11/16 - 5 13/16	3 1/16 - 3 3/16	1 7/8 - 2	7 1/8 - 7 1/4	3 5/16 - 3 7/16	1/2 - 5/8	4 5/16 - 4 7/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 3/8	5 5/16
90-day CDs dealers	5.43	5.43
180-day CP dealers	5.30	5.30
3 month Treasury bill	5.02	5.04
1-year Treasury bill	5.30	5.30
2-year Treasury bill	5.94	5.94
5-year Treasury note	6.29	6.29
7-year Treasury note	6.40	6.39
10-year Treasury note	6.54	6.53
30-year Treasury bond	6.79	6.77
Merrill Lynch 30-day RA	4.95	4.96
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.38
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Gov't bond	2.66	2.77
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.12
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.18	3.18
10-year Bund	5.98	5.98

Britain	Close	Prev
Bank base rate	6.00	6.00
Call money	6.00	6 1/8
1-month interbank	6 3/16	6 3/16
3-month interbank	6 5/16	6 1/4
6-month interbank	6 7/16	6 7/16
10-year Gilt	7.74	7.74
France		
Intervention rate	3.15	3.15
Call money	3 1/4	3 1/4
1-month interbank	3 5/16	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 5/16	3 5/16
10-year OAT	5.89	5.83

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	358.15	359.05	—1.70
London	357.65	359.00	+0.50
New York	358.80	359.70	+1.00

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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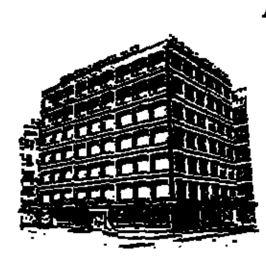
It is a simple principle upon which we base our brand of financial conservatism: private banking built upon rigor, discipline and prudence. This sophisticated conservatism, vigorously pursued,



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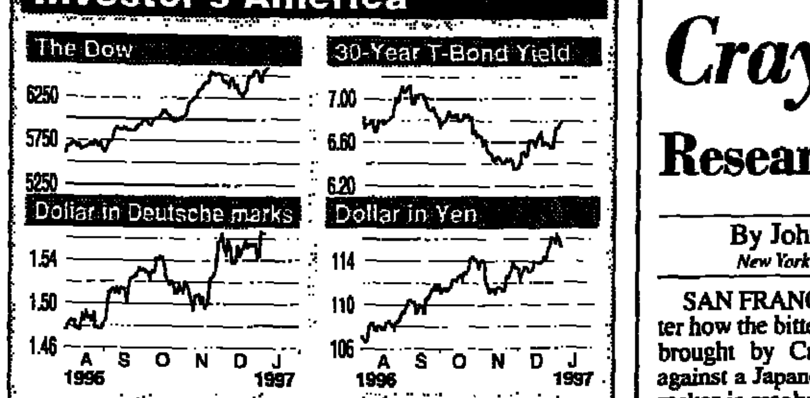
Investor's America



Exchange	Index	Tuesday Close	Prev. Close	% Change
NYSE	The Dow	6600.66	6567.18	+0.51
NYSE	S&P 500	753.23	747.65	+0.75
NYSE	S&P 100	738.83	731.62	+0.99
NYSE	Composite	396.90	394.28	+0.66
U.S.	Nasdaq Composite	1324.26	1316.40	+0.60
AMEX	Market Value	575.63	572.06	+0.62
Toronto	TSE Index	5946.97	5920.71	+0.44
São Paulo	Bovespa	72974.60	71595.10	+1.93
Mexico City	Bolsa	3516.13	3492.17	+0.69
Buenos Aires	Merval	663.49	656.98	+0.99
Santiago	IPSA General	5097.21	5050.39	+0.93
Caracas	Capital General	N.A.	6878.33	-

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

Viacom to Close 50 Music Stores

NEW YORK (Bloomberg) — Viacom Inc. said Tuesday it planned to take a fourth-quarter pretax charge of $100 million to close 50 Blockbuster Music stores and relocate its Blockbuster Entertainment unit's headquarters to Dallas from Fort Lauderdale.

The company is closing the stores, which represent 10 percent of all Blockbuster Music retail stores, because of sluggish sales.

Amex and AT&T Launch Venture

MORRISTOWN, New Jersey (Bloomberg) — American Express Co. and AT&T Capital Corp. said Tuesday they formed a joint venture to provide small business loans for office equipment and heavy machinery.

The joint venture will offer loans of as much as $25,000 to small businesses.

• **Morgan Stanley Group Inc.**'s net income rose 26 percent in the quarter ended Nov. 30, to $236 million, while **Lehman Brothers Holdings Inc.**'s earnings rose 84 percent, to $127 million. Both firms cited growth in trading and investment banking.

• **General Instrument Corp.** plans to split into three publicly traded companies in a bid to keep pace with rapid changes in the telecommunications industry.

• **Newmont Mining Corp.** raised its unsolicited takeover bid for **Santa Fe Pacific Gold Corp.** to $16.50 per share, or $2.2 billion, in an attempt to derail the company's proposed merger with **Homestake Mining Co.**

• **Mexican** stocks rose for a third day, lifting the Bolsa Index by 0.69 percent to a new record of 3,516.13, as local interest rates fell.

• **Nissan Motor Corp.** plans to cut as many as 2,000 North American jobs through early retirement and buyout packages. *Reuters, Bloomberg, AP*

Cray-NEC Fight: For Naught?

Research Center Looks to Hewlett-Packard

By John Markoff
New York Times Service

SAN FRANCISCO — No matter how the bitter dumping lawsuit brought by Cray Research Inc. against a Japanese supercomputer maker is resolved, it appears now that Cray may end up a loser.

The federal weather-research center that had originally caused the dispute by deciding to buy a supercomputer from NEC Corp., rather than from Cray, is now considering a new option: buying a supercomputer from Hewlett-Packard Co., one of Cray's U.S. rivals.

The move would be the latest twist in an international trade battle that began in May when the National Center for Atmospheric Research said it would spend as much as much $35 million for a powerful supercomputer from NEC.

Such a purchase would have been a blow to U.S. supercomputer makers like Cray, which have long maintained that the Japanese have not been able to match the performance of their machines.

At the time of the announcement, the weather research center said that the NEC computer was superior.

The agency added that the question of whether the Japanese company was selling the supercomputer below cost would be negotiated in the final contract.

Cray's contention that NEC is taking a loss to supply computers to the U.S. agency — an accusation NEC denies — is the crux of the dumping suit.

Cray, which is now a subsidiary of Silicon Graphics Inc., brought the anti-dumping charge against NEC before the U.S. International Trade Commission in July.

The decision by the weather center, based in Boulder, Colorado, to buy a $1.5 million massively parallel supercomputer from Hewlett's Convex division will be announced in the next two or three weeks, several people familiar with the deal said.

By buying the Hewlett machine, the center would essentially be buying an insurance policy against the loss of the NEC machine. If it is blocked from buying the NEC computer, the agency can expand the size of the Hewlett computer until it can perform about a trillion calculations a second, about the speed of the NEC machine.

Officials at the Boulder research center said that they were not ready to announce any decision on which computers they might buy.

After the agreement with NEC was stalled last year by the Commerce Department litigation, the weather center bought another supercomputer from Cray Research. That machine is intended to be used as a fill-in for 12 to 18 months, until the resolution of the Cray-NEC dispute.

William Buzbee, the weather center's scientific computing director, would not comment on whether a formal decision to buy a computer from Hewlett had been made.

Executives at both Cray Research and NEC also said they had not heard about the purchase.

Apple Reveals Plans For Its New System

Bloomberg Business News

SAN FRANCISCO — Apple Computer Inc. unveiled its long-awaited plans for a new operating system Tuesday, saying it will be 18 months before the software will show up on most Apple machines.

Apple plans to release early versions of the system in the middle of this year and early next year.

The new operating system, which controls the logic functions of the computer, is crucial to Apple. The company has been losing market share because its customers are switching to computers that run the popular Windows 95 operating system from Microsoft Corp.

STOCKS: *A Social Security Windfall?*

Continued from Page 11

to be identified, concurred with Mr. Langer that they and their firms did not want to be seen leading the charge for individual investment accounts because of their obvious self-interest.

One of the 13 members of the presidential panel said the mutual fund industry impressed on him the potential rewards for Wall Street firms under the more aggressive privatization options.

Thomas Jones, vice chairman and chief operating officer of the Teachers Insurance & Annuity Association-College Retirement Equities Fund, the nation's largest private pension system, said he was approached a year ago by representatives of the Investment Company Institute, the mutual fund lobbying and trade group.

"They said they were disappointed I didn't support Option 3, the proposal that generates the most revenue for the industry," Mr. Jones said. "My response was that I was appointed as a public member of the advisory council, not as a representative of a company or an industry.

"I also told them that if the amount of overcharging and underperformance that is common in the mutual fund business was any measure, I was not optimistic about the free market taking care of things."

Julie Domenick, senior vice president of ICI, said in response to Mr. Jones, "We've come to the view that whatever the option chosen, the government will look at fees. No one is interested in creating a high-cost option. I would disagree that this is fee-driven."

Mr. Jones is a supporter of the most limited of the three privatization options to emerge from the council, Option 1. Under this proposal, the money would remain in one pool invested in stock index funds managed by a dozen or so investment advisers. The advisers would be overseen by an investment board nominated by the president and confirmed by the Senate.

"There is no money for Wall Street in Option 1," he said. Mr. Jones estimates that in the first year, the investment management and administrative fees would be in the range of $10 million.

In contrast, Option 2 would cost $500 million, and Option 3 would cost $2 billion in the first year, according to Mr. Langer.

The huge differences can be largely explained, Mr. Jones said, by the fact that it costs far less to invest and administer one giant pool of money than the 100 million or more individual accounts envisioned by the other options. A mutual fund executive involved in the ICI's lobbying efforts said that while Wall Street prefers Option 3, it may rally around Option 2.

"Privatization requires that Clinton and Gore get behind the idea," the executive said. "Legislation will be proposed this session of Congress, but nothing will be passed. We could be looking at a bill passed four years from now in a Gore administration."

■ Dow Index Tops 6,600

The Dow Jones industrial average closed above 6,600 points for the first time as computer-guided buy-orders lifted stocks back from earlier losses, news agencies reported from New York.

The 30-stock index closed at 6,600.66, up 33.48 points, as advancing issues led declining ones by a 3-to-2 ratio on the New York Stock Exchange.

Stocks struggled early against the worsening interest-rate backdrop in the bond market. Bonds fell on news that factory orders slipped only 0.4 percent in November, less than analysts had expected.

The report fueled concerns that inflation may be picking up. That sent the yield on the 30-year Treasury bond — a key determinant of

U.S. STOCKS

corporate and consumer borrowing costs — to 6.79 percent, up from 6.77 percent Monday. The price slipped 6/32 point, to 96 9/32.

The inflation outlook hurt the stocks of companies that pay big dividends. AT&T, the most active Big Board issue, fell ¾ to 38⅞.

But investors' expectations for slow, steady growth in the economy benefited companies whose earnings would not likely be susceptible to economic swings. Coca-Cola rose 1¾ to 54⅜ and Procter & Gamble gained 2 to 111⅛.

Silicon Graphics fell 1⅝ to 25¼. The maker of computer workstations warned that manufacturing delays would result in break-even earnings for its second quarter, which ended Dec. 31.

American Express rose 2⅜ to 57½. A single trade of 1 million shares, made at the open of the session, raised speculation that an investor was amassing shares for a takeover bid.

Delta Air Lines shares rose 2¼ to 72⅛. The airline said it would increase its New York City service and cut back on its European service, resulting in a $60 million pretax charge in the current quarter.

The technology-laden Nasdaq Composite index rose 7.86 points to 1,324.26. Intel, the most active issue, rose 4½ to 143⅜.

(Bloomberg, AP)

Instant-Settlement Bank Planned

The Associated Press

TOKYO — To help keep one nation's financial crises from spreading to others, a group of major banks plans to set up an international bank that can settle transactions in eight currencies simultaneously, a Japanese banking executive said Tuesday.

Major commercial banks from Japan, the United States and Europe will decide on the new bank at a meeting planned for next month in Germany, said the executive from Bank of Tokyo-Mitsubishi, one of the banks involved. He spoke on condition of anonymity.

When large-scale foreign exchange transactions are not processed immediately, banks in one country can fall victim to rapid rate fluctuations or other events while waiting for transactions to go through. Immediate settlement means that one side knows exactly what to expect from the other.

The currencies to be handled by the new bank, tentatively named CLS Bank, will be the dollar, yen, Deutsche mark, French franc, British pound, Swiss franc, guilder and Canadian dollar, the banker said.

■ Dollar Slides Against Yen

The dollar finished mixed against other major currencies Tuesday, slipping against the yen after three senior Japanese officials said they did not want the yen to fall too far, wire services reported.

In New York the dollar closed at 115.195 yen, down from 115.770 yen Monday. The dollar slipped to 5.2838 French francs from 5.2840 francs and to 1.3535 Swiss francs from 1.3540 francs. But the dollar rose to 1.5643 Deutsche marks from 1.5640 DM. Traders said purchases of yen for marks supported the dollar against the German currency. The pound rose to $1.6948 from $1.6935.

Finance Minister Hiroshi Mitsuzuka said an excessive decline in the yen against the dollar was undesirable and that Tokyo would take "appropriate measures." The international trade and industry minister, Shinji Sato, added that it would "be a problem" if the yen fell too far, and the head of the Economic Planning Agency, Taro Aso, said a stable dollar/yen exchange rate was desirable.

Traders said the dollar's slide against the yen was abetted by comments from a U.S. economist, Gail Fosler, who said the dollar was overvalued against the yen by about 15 percent.

(AFP, Bloomberg, Bridge News)

AMEX

Tuesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	345	16½	16	16⅛	+⅛
ARC	1344	4	3 15/16	3 15/16	—1/16
ATT Fg	152	81¼	80⅝	81¼	—½
AVIC Gp n	197	3½	3	3⅛	
AckGrp s	122	11⅝	11⅛	11¼	—½
AdmRsc	338	14⅝	13⅛	14⅝	+1¼
AdvMag	234	18¼	17⅞	17⅞	+½
AdvMed	7255	4 9/16	4⅛	4½	+¼
AirWat	4854	7½	6¾	7½	+1
AHoogen	959	15⅝	15	15¼	+⅜
Alphaln	486	7⅞	7¾	7¾	+⅛
ABLivng n	324	12⅝	12½	12¾	
Amdhl	6653	12⅛	12	12	—⅛
AExpl	366	15⅞	15¼	15⅞	+⅜
AIM 85	131	14⅜	14⅛	14½	
AIM 88	230	14	13⅞	14	—
Am List	3973	22⅞	21¾	22⅞	—7¼
Ampex n	3871	9 7/16	9¼	9½	+⅛
ArmorH n	324	7⅞	7⅜	7⅜	
AstLiving	173	15	14⅝	14⅝	—⅜
Atlantis	185	10⅛	9⅞	10⅛	+¼
Audvox	907	5⅜	5½	5 9/16	+1/16
Autotote	1576	1 13/16	1½	1 11/16	
Axogen un	702	28¼	25⅞	26⅜	+1⅝
Azco	490	1 9/16	1½	1½	—1/16
BAT Ind	122	16 9/16	16½	16½	
BHC	96	102⅛	101	101	—1⅝
Baker	245	6⅜	6⅛	6 5/16	+1/16
Baldw	91	2⅝	2½	2½	—⅛
Ballnty	258	19⅛	18¾	18¾	—⅞
ecBnkrN	138	1 1/16	1	1	—1/16
BT dep	677	25⅜	25½	25⅜	—⅛
BayMeo	326	41½	40	41⅜	+½
Bayou	102	2 11/16	2⅝	2 11/16	—1/16
BSJon wt	90	1/16	1/16	1/16	—1/16
BernaGold	3210	5½	5¼	5½	+⅛
BenchE	111	30⅛	30⅛	30⅛	—
BentPh	524	3	2¾	3	
BioR A s	127	30⅛	29⅝	29⅞	—⅛
BlkB409	121	11	11	11	
BogenC	95	4	3⅞	4	+⅛
BoltTch n	374	5⅝	4⅞	5⅝	+½
Bowmr	165	2⅛	1 15/16	2	+1/16
Brandyw s	1373	19⅞	19⅝	19 15/16	+1/16
BrillDig n	310	4⅝	4⅜	4⅝	+⅛
Buffton	117	2⅛	2⅛	2 1/16	+1/16
CE Fmk g	302	4⅛	4 1/16	4 1/16	—1/16
Cablvsn	974	34½	32⅝	34⅞	+1½
Cablvs pf	896	21⅜	21⅛	21⅜	—
CagleA	97	15½	14⅞	15⅛	—
Cambior	441	13⅝	13⅛	13⅜	
Cambrx s	110	33½	32⅝	33⅜	+⅛
CdnOc g s	2991	16¼	16⅛	16¼	+⅛
CanyonRs	228	2½	2 7/16	2½	+1/16
Carembr n	1278	15⅝	14⅝	15⅝	+1⅛
CFCda g	166	4 7/16	4 5/16	4⅜	
ChaseCp	149	9⅛	8 11/16	8 11/16	—7/16
Citadel	178	3	2 15/16	3	
CliffFin n	250	14½	14	14¼	+¾
CoastD	365	4	4	4	
Cognitrn	135	4⅝	4	4⅛	+⅝
ColLb	556	14	13⅝	14	—
CmclAst	150	6 11/16	6⅝	6 11/16	
CompTch	149	11½	10⅞	11¼	—⅜
CmpMan	2547	13⅛	12⅜	12⅞	—⅛
Cmptrc	153	2 7/16	2 5/16	2⅜	+⅛
Continucre	120	8	8	8	+1/16
Cross	969	11⅛	11 1/16	11⅛	—⅛
CrnCP B	437	12¼	12	12	—⅛
ecCrwnL	578	1 1/16	⅜	1 1/16	+⅛
Cubic s	111	25⅞	24⅞	25⅞	+1
CybexIntl	149	11½	10⅞	11⅛	+⅛
Cycom gs	435	3 1/16	2⅞	3	—1/16
DI Ind	1175	2 11/16	2 9/16	2⅝	
DakotaM	196	1⅝	1 9/16	1 9/16	—1/16
DanHd	385	5	5	5	—⅛
Datamet	353	1¼	1⅛	1 3/16	+1/16
Dataram	444	9½	9⅛	9½	+¼
Davco	276	9 5/16	9	9 5/16	—1/16
DaytonMn	316	6¼	6⅛	6 7/16	+⅛
DevnE	883	36⅛	35¾	36⅛	+⅜
DiagRet	576	13	12½	13	+⅜
DigiCT	552	1 5/16	1 3/16	1 5/16	—⅛
Drewind	122	24¼	23¼	24¼	+1¼
DrylMu	250	10⅛	9 15/16	10	+1/16
EZ Serv	186	1½	1 7/16	1½	+1/16
EchoBay	8410	6⅜	6 1/16	6⅜	—1/16
Edisto	121	8½	8⅜	8½	+⅛
Editek	2034	⅝	9/16	⅝	+1/16
ElPasoE n	2710	6 13/16	6½	6⅝	—⅛
Eldorad	287	22¼	22	22⅛	
Emeritus	388	12⅝	12⅛	12⅛	—
EmerR	217	1 7/16	1⅜	1⅜	—
EnzoBi	1239	19⅛	18½	19⅛	+⅛
EquusII	131	16½	16¼	16⅜	+⅛
FormTel s	138	3⅛	2 15/16	3	+⅛
Fibrbd	239	33⅞	33¼	33⅜	—⅛
FlAust	539	9	8 13/16	8⅞	—1/16
FAusPr	2094	8 11/16	8 9/16	8 9/16	
FtCntrl	102	4⅛	4⅛	4⅛	—⅛
Filber	109	11	10¾	10⅞	—⅛
FlaRck	113	32⅜	31⅞	32	—⅜
ForstLb	3292	33¼	32¼	32¾	—⅜
FortPet	325	3	2 11/16	2 15/16	+3/16
ForumR	235	3½	3¼	3⅜	
FrnkSel	119	5⅝	5⅜	5⅝	—
FreqEl	91	11⅝	11⅜	11⅝	+¼
GA Fnd n	340	15⅝	15⅝	15⅝	
GST Tele	832	9½	9	9⅛	+3/16
GaylCn	2510	6 11/16	6½	6 9/16	+⅛
GelmSci	261	32⅜	32¼	32⅜	
Gencor	386	20⅜	19⅝	20⅛	+⅜
GnAuto	313	1½	1 7/16	1⅜	+1/16
GnEmp	318	10½	9⅝	9⅝	—⅛
GetchGld	2878	38	32⅞	34⅞	+2
GiantFd	707	35	34⅝	34⅝	—¼
Glatfir	527	18¼	17¾	18⅛	—⅛
Globlink	716	3¼	2 15/16	3 1/16	+¼
GoVideo	843	1⅜	1¼	1⅜	+⅛
GldStarR	940	13⅝	12⅝	13⅝	+⅛
GldFld	345	¼	⅛	¼	
GrteBayC	155	1⅜	1 11/16	1 11/16	—⅛
GreynndL	5052	4 9/16	4⅜	4 7/16	—1/16
Halsey	723	6	5⅝	5 11/16	+1/16
HalterM n	149	14⅞	13⅞	14⅜	+⅜
HanaOr	151	6⅞	6 11/16	6⅞	+⅛
HanvDir	230	⅞	11/16	¾	+1/16
Han wtB	157	1/64		1/64	—
Harken	11730	3	2⅞	3	+⅛
Hasbro	6834	37½	36⅛	37⅛	—⅜
HawAir	3474	3⅛	3⅛	3⅛	+1/16
Hearx n	4881	3	2 15/16	2 15/16	—1/16
Heico s	155	24⅝	23	24⅝	+1⅛
HomeVil n	347	18¼	18	18¼	+¼
HomeV wt	187	8½	8⅛	8⅞	+1/16
HovnEn	192	7⅜	7¼	7⅜	
ICG Com	1885	16⅞	16⅛	16⅞	+⅞
IGI	679	7	6 13/16	7	+⅛
Identix	572	8⅞	8 11/16	8⅜	—1/16
ImpCMtg	230	23⅛	23	23⅛	
ImpOil g	378	46½	45⅞	46¼	+⅜
InetWid	121	11⅛	11⅛	11⅛	
IntlgSys	95	3⅝	3 9/16	3⅝	+⅛
InClPd	477	3¼	3 3/16	3⅛	+1/16
InterDig	547	6⅛	6 5/16	6 11/16	—1/16
ecIntrine	146	9/16	11/16	9/16	+⅛
Intrmagn	963	13⅜	11⅞	13¼	+1⅛
IRIS	683	5⅝	4 15/16	5¼	+⅛
IntThrgh	174	3⅝	3½	3½	—1/16
IntPoly s	160	22⅞	22⅛	22⅞	+⅛
IonLaser	114	12¼	11⅞	12⅛	+⅜
IvaxCp	8653	11	10½	10⅞	+⅜
JTS Corp	2742	3⅜	3¼	3 5/16	+1/16
JanBell	175	2¼	2⅛	2¼	
Janelnt	204	13⅝	13¼	13½	+⅜
KatzM	158	10⅛	10	10⅛	—⅛
Keane s	1961	31½	31	31¼	+½
KeyEng	368	11⅜	11⅜	11½	
KnogNA	97	5 7/16	5⅜	5 7/16	+⅛
KoorEq	259	18⅛	17⅞	17⅞	—⅛
LXRBiot	468	2⅜	2⅛	2⅜	+⅛
LaBarg	315	6 1/16	6 1/16	6 1/16	
LsrTech	171	5 1/16	4⅝	5 1/16	+5/16
LazKap	149	17⅛	17	17	—⅛
LitfdAd	134	2⅝	2½	2⅝	
MHM Serv	290	⅛	⅛	⅛	—1/16
MagnPet	281	4⅝	4 9/16	4⅝	+⅛
Maxam	165	50⅜	50	50	—⅛
MedcR	124	10½	9⅞	10½	
Medeva	156	17½	17¼	17½	+⅜
Media	743	30⅛	29⅝	29⅝	—⅛
MediaLog	331	3⅞	3⅛	3⅞	+⅜
Media	536	6⅝	6¼	6 9/16	+⅛
MercAir	141	7 9/16	7⅛	7⅜	
ML TTY n	141	10	9 15/16	10	
Metromda	1963	10⅞	10⅜	10⅜	—⅛
MidalRty	464	11⅝	11½	11½	
MinnMu	138	12⅞	12½	12⅝	+⅛
MinnTr2	152	10⅜	10⅜	10⅜	+⅛
MS TMX	2740	38	36¼	37⅞	+⅝
MSNik 97wt	422	3½	3	3¼	—½
MetasiaE	241	3 7/16	3½	3 7/16	+⅛
MunMtg n	92	16½	15⅞	16⅛	+⅛
Munvst	506	9	8 15/16	8 15/16	—⅛
Myersind	165	16	15	15½	—⅜
NTNCom	1878	3⅝	3½	3⅝	—1/16
NVR	503	12⅞	12⅝	12⅝	+⅛
Nabors	3971	20½	19⅝	20½	+⅜
NtPatnt	495	8⅝	8 1/16	8½	+⅛
NY Times	1683	37⅛	36⅞	37⅛	+1
NA Vacc	103	24⅝	24½	24⅝	—⅛
Novavx	181	3⅝	3⅜	3 7/16	—1/16
OOkiep	97	6½	5⅞	6½	+⅜
OmniMuU	1033	2 9/16	2⅜	2 7/16	—1/16
Oncor	2194	4 9/16	4⅛	4⅜	+¼
Oncormd	298	5⅝	5 5/16	5⅝	+½
Orphan	431	22½	21⅞	22¼	+⅜
PC Quote	232	3 5/16	2 15/16	3	—⅛
PGECap pf	234	24⅞	24½	24¾	
PLC Sys	1741	27¼	25¼	26⅜	+1⅝
PMC CT	190	17⅛	17	17⅛	
PGEofl	117	16¼	16	16¼	+⅛
PGEptQ	96	25½	25⅜	25½	
PanAmC n	652	7¼	6 15/16	7¼	+⅜
PaxsnC	887	9	8 11/16	8⅞	+⅛
PegGld	2635	7⅜	7¼	7⅜	+1/16
PeopleTel	727	3⅜	3¼	3⅜	—⅛
PerlnC	104	8⅝	8	8⅝	+⅛
PhotNet	996	4⅜	4⅛	4⅜	+1/16
Phonetel	154	3⅛	3	3⅛	
PicoPd	139	2 3/16	2 1/16	2 1/16	—⅛
PiedmBc s	113	10⅛	9⅞	10	
PinnclBk	283	17⅝	17⅜	17⅜	—⅛
PlnRsc	269	15⅝	15½	15⅝	+⅛
PolkAud	180	11½	10⅞	11	—⅜
Polymed	216	3⅞	3⅝	3⅞	+1/16
Polyph	618	5⅝	5	5¼	+1/16
ProdLg	2583	17¼	15⅝	16⅛	—1
PrcCm	880	8 9/16	8½	8½	—⅛
ProsCT	120	8⅞	8 1/16	8 1/16	
PsycCp	117	6	5⅝	5 15/16	—1/16
QC Opt n	123	5⅞	5⅝	5⅞	+3/16
QC Opt wt	163	1 3/16	1⅛	1 3/16	+⅛
RF Pow	302	3	2 15/16	3	+⅛
RegGold	498	1 7/16	1⅜	1 7/16	+1/16
RedEmp	290	11⅝	11½	11⅝	—⅛
Retac	146	6⅛	5⅝	6⅛	+1/16
RegalBel	351	19½	19	19½	+⅜
Riser	151	32¼	31½	31⅞	+⅜
Rogers	134	27⅞	27¼	27¼	+⅛
RoyalO g	2292	3 1/16	3	3 1/16	+1/16
SaboPet s	566	24⅞	23⅞	24¼	—⅛
SFeGa pf	119	1/16	1/16	1/16	—1/16
Schult	110	23¼	23¼	23¼	—⅛
Selas	187	17⅜	16⅜	17	—⅜
Servico	272	18½	17	18⅞	+1⅜
ShefldMd	450	3⅞	3⅛	3⅞	+1/16
Softnet	112	4 9/16	4 7/16	4 7/16	+⅛
SoaltT n	762	5	4⅞	5	
SocOmn	140	1 13/16	1¾	1 13/16	+1/16
SportsCb	241	2⅞	2⅜	2⅞	+½
SPDR	8376	75 19/32	74½	75 27/32	[illegible]
SP Mid	558	50 13/32	49⅞	50 7/16	[illegible]
StevintA	131	1⅝	1⅝	1⅝	—
SubstAbus	646	1 9/16	1½	1 9/16	—
Sulcus	671	2⅛	2	2⅛	+1/16
SumitT A	144	11⅜	11⅛	11⅜	+⅛
Teche	479	15	14⅞	14⅞	
TelData	488	36	35⅛	35⅛	—⅛
TexBiotch	363	4⅜	3⅞	4 1/16	+1/16
TexMer	94	16⅝	16½	16½	
Thermed	586	18⅜	17⅜	18½	+⅜
ThrmBio n	706	13⅜	13⅛	13⅛	+⅛
TriCar s	334	31⅜	30	30¾	+⅛
ThrInst	363	33⅝	33⅛	33⅝	—⅛
ThrSpect	111	14	13⅝	14	+⅜
ThrVolt s	382	10½	10⅛	10⅛	—½
Thrmotse	394	16¼	15⅞	16¼	+⅛
Thrmotx	300	29⅛	28⅞	29	+⅛
TabGrce	1046	2½	2¼	2⅜	—⅛
TownCty	124	⅞	13/16	13/16	—
TWA	7749	7⅛	6⅞	7⅛	
TrexMed n	178	14½	13½	14½	+⅜
Triton	308	⅛	⅛	⅛	
TubMex	2684	15⅝	15⅜	15⅜	—⅛
USFGP	180	18⅜	18	18⅜	+⅜
UTI Eng	181	33⅜	32½	33	—⅜
Ungaux	459	4 9/16	4⅜	4 9/16	+3/16
Unilab	1209	⅜	⅜	⅜	
Unimar	387	4⅜	4 5/16	4⅜	+⅛
UnioMbl	295	3⅝	3 9/16	3⅝	+⅛
UFoodA	125	1⅜	1⅜	1⅜	+⅛
UMobH	132	13⅜	12⅝	13⅛	+⅜
US Bio wt	136	5⅝	5⅛	5⅝	—⅛
USBiosci s	3396	15⅛	14¼	14⅞	+⅛
US Cell	198	28⅛	27⅞	28⅛	—
VKAdM2	102	11⅝	11⅝	11½	
VKMAV	116	12⅞	12⅞	12⅞	+⅛
Viacom	2394	34⅛	33⅞	34⅛	+⅛
ViacB	4518	35⅛	34⅝	35⅛	+⅜
Viac wtC	254	½	⅞	½	—1/16
Viac wtE	2750	3	2⅞	2⅞	
Virco	102	14⅝	14¼	14⅝	+⅜
VisloG g	299	1 3/16	1⅛	1⅛	
Vitronic	205	1⅛	1	1⅛	+1/16
VoyMN2	98	12⅝	12½	12⅝	+⅛
WRIT	451	17½	17	17⅛	+⅛
WelGrd	131	4½	4⅛	4⅛	—1/16
WIRET	158	13	12⅝	12⅞	—⅛
Wiretss7 s	355	10⅞	10⅝	10⅞	—⅛
WEBAsia n	197	10⅛	10⅛	10⅛	
WEBAstr n	100	10⅞	10⅝	10⅝	—
WEBGer n	166	14⅛	14⅛	14⅛	—
WEB HK n	153	15⅝	15½	15⅝	—
WEB Ita n	161	14 9/16	14 7/16	14 9/16	—⅛
WEB Jpn n	153	13	12 15/16	13	—⅛
WEB Sing n	91	12¼	11 15/16	12⅛	
WEB UK n	111	15	15	15	—1/16
XCL Ltd	15294	¼	3/16	¼	+1/16
Xytron	297	1⅜	1⅜	1⅜	—⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6548.71	6603.35	6512.53	6600.66	+33.48
Trans	2240.88	2266.46	2236.71	2265.53	+25.38
Util	229.81	233.09	229.11	233.09	+2.64
Comp	2038.70	2058.58	2031.52	2058.07	+15.38

Standard & Poors

	High	Low	Close	Chg.
Industrials	887.98	874.03	887.94	+7.31
Transp.	541.99	536.68	541.87	+3.84
Utilities	198.81	196.76	199.79	+2.00
Finance	81.77	80.86	81.77	+0.19
SP 500	753.26	742.18	753.23	+5.58
SP 100	738.86	726.61	738.83	+7.21

NYSE

	High	Low	Last	Chg.
Composite	396.91	391.85	396.90	+2.62
Industrials	502.76	495.61	502.75	+4.14
Transp.	353.57	350.00	352.45	+2.07
Utility	259.92	257.30	259.92	+0.76
Finance	351.08	347.91	351.07	+0.81

Nasdaq

	High	Low	Last	Chg.
Composite	1324.26	1313.06	1324.26	+7.86
Industrials	1131.09	1123.04	1131.09	+6.53
Banks	1278.32	1273.85	1278.32	+2.34
Insurance	1451.14	1440.56	1451.14	+1.53
Finance	1594.50	1590.17	1593.37	+0.27
Transp.	907.20	902.87	907.20	+1.27

AMEX

High	Low	Last	Chg.
575.63	571.08	575.63	+3.57

Dow Jones Bond

	Close	Chg.
20 Bonds	102.99	—0.20
10 Utilities	100.03	—0.30
10 Industrials	105.94	—0.11

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
AT&T s	78912	39½	38⅝	38⅞	—¾
TexRU	77634	27	26¼	26⅞	+⅝
CmpUSA s	77401	14⅜	13¾	14⅜	+¾
SiliconGph	73079	25¼	23⅝	25¼	—1⅝
WalMart	69240	23⅞	22⅞	23⅞	+1⅛
TelMex	65785	36⅞	35⅝	36¼	+⅜
AmMdRs	58600	39⅞	39⅛	39⅝	+6⅜
FordM	54093	33⅞	33⅛	33⅝	+¼
Genlnst	48413	23⅝	22⅝	23	+¼
SFePGld	44290	15½	14⅞	15⅛	+1⅛
PepsiCo s	43047	29⅞	28⅞	29½	+¼
Repsol	41142	39⅞	38⅞	39⅝	+1⅜
AmExp	39384	57⅝	54⅞	57½	+2⅜
BayNtwk	38375	21⅝	19⅝	21⅛	+1
CocaCl s	35306	54⅜	51⅝	54⅜	+1¾

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	119459	143½	137	143⅜	+4½
AppleC	86942	18⅛	17½	17½	—⅝
WorldCm s	77494	27	26	27	+⅜
MCI	77300	33⅜	32⅝	33	—⅛
SunMic s	69809	27⅞	26¼	27¼	—7/16
Ascend	55619	66⅛	61⅝	65	+3
FlPcNtw	54906	[illegible]	[illegible]	[illegible]	
Cisco s	54576	68⅛	66⅜	68¼	+⅛
DellCpt s	48678	57	54½	56¼	—1
Teva	47095	55⅝	51⅞	53⅛	—3⅛
Microsft s	45768	85⅞	83⅝	85	+⅝
TeleCmA	45563	14½	13⅞	14½	+½
Intel wt	45416	104⅞	98⅛	104⅝	+4⅞
Informix	42345	22	20	21⅞	+2
Novell	39544	10⅝	9⅝	9⅝	—⅜

AMEX

	Vol.	High	Low	Last	Chg.
XCL Ltd	15294	¼	3/16	¼	+1/16
Harken	11730	3	2⅞	3	+⅛
IvaxCp	8653	11	10½	10⅞	+⅜
EchoBay	8410	6⅜	6 1/16	6⅜	+1/16
SPDR	8376	75 19/32	74½	75 27/32	[illegible]
TWA	7749	7⅛	6⅞	7⅛	—
Hasbro	6834	37½	36⅛	37⅛	—⅜
Amdhl	6653	12⅛	12	12	—⅛
Greyhndl	5052	4 9/16	4⅜	4 7/16	—1/16
Hearx n	4881	3	2 15/16	2 15/16	—1/16

Trading Activity

NYSE

	Close	Prev.
Advanced	1505	1434
Declined	1041	1139
Unchanged	789	776
Total issues	3335	3349
New Highs	150	141
New Lows	25	30

Nasdaq

	Close	Prev.
Advanced	2305	2206
Declined	1767	1848
Unchanged	1661	1682
Total issues	5733	5736
New Highs	170	188
New Lows	65	49

AMEX

	Close	Prev.
Advanced	309	321
Declined	233	251
Unchanged	183	167
Total issues	725	739
New Highs	23	23
New Lows	7	5

Market Sales

	Today Close	Prev. cons.
NYSE	538.19	636.58
Amex	22.47	26.34
Nasdaq	542.02	588.14

In millions.

Dividends

Company		Per	Amt	Rec	Pay
IRREGULAR					
Comp CervUnidas		b	.1213	1-21	2-11
Fst Alliance Prm		-	.56	1-16	1-27
Sabine Royalty		-	.126	1-15	1-29
STOCK SPLIT					
Sand Tech A 2 for 1 split.					
STOCK					
Carolina Fst Corp		-	20%	1-15	1-30
INCREASED					
Am o-Pittsburgh		Q	.06	1-17	1-31
Morgan StanleyGp		Q	.20	1-20	2-6
Pulitzer Publish		c	.13	1-17	2-3
c- also payable on class B.					
REDUCED					
Colonial Intrmid 1		M	.078	1-15	2-3
INITIAL					
Carolina First n		-	.07	1-31	2-15
FstUn RlEstInv A		-	.5425	1-15	1-31
YEAREND					
Am -Pittsburgh		-	.10	1-17	1-31
REGULAR					
Baker,J.		Q	.015	1-15	1-31
Bankers Corp		Q	.16	1-15	1-30
Carolina Fst Corp		Q	.07	1-31	2-15
CenFed Fincl		Q	.09	1-24	2-7
Colonial Intrmid 1		M	.078	1-15	2-3
Colonial Inv Grd		M	.0535	1-15	2-3
Golden Enterprise		Q	.12	1-17	1-29
Masotech Inc		Q	.05	1-13	2-10
Oxford Indust		Q	.20	2-14	3-1
Seligman Quality		M	.0782	1-16	1-27
Seligman Self		M	.07	1-16	1-27
TB Woods		Q	.08	1-17	1-31
UnionBncp Inc		-	.035	1-16	1-23
Upp Penn Energy		Q	.32	1-13	2-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Jan. 7, 1997

Grains

CORN (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Mar 97	2.58½	2.56¾	2.58¼	+0.01¼	147,995
May 97	2.60½	2.58¾	2.59½	+0.00¼	54,169
Jul 97	2.61¾	2.60½	2.60¾	—0.00½	55,190
Sep 97	2.59¼	2.58½	2.58¾		6,549
Dec 97	2.60	2.58½	2.59¼		37,713

Est. sales 8,739 Mon's. sales 42,275
Mon's open int 305,365 up 377

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Close	Chge	Opint
Jan 97	230.00	228.50	229.70	+1.00	9,103
Mar 97	222.50	221.30	222.20	+0.90	33,238
May 97	218.40	217.00	218.20	+1.00	18,011
Jul 97	218.00	216.70	217.70	+0.70	12,380
Aug 97	216.38	215.30	216.00	+0.50	2,475
Sep 97	213.50	212.00	212.20	+0.70	2,244

Est. sales N.A. Mon's. sales 25,781
Mon's open int 79,313 up 1053

SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.

	High	Low	Close	Chge	Opint
Jan 97	23.15	22.96	23.15	+0.20	4,828
Mar 97	23.52	23.30	23.50	+0.20	46,115
May 97	23.87	23.68	23.84	+0.20	15,231
Jul 97	24.13	23.96	24.12	+0.18	11,074
Aug 97	24.25	24.06	24.24	+0.21	2,113
Sep 97	24.40	24.23	24.38	+0.24	1,771

Est. sales N.A. Mon's. sales 28,861
Mon's open int 83,396 up 1548

SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Jan 97	6.99	6.94½	6.98½	+0.04½	8,707
Mar 97	7.00½	6.95	7.00¼	+0.05¾	67,806
May 97	6.99¾	6.94	6.99¼	+0.05	28,124
Jul 97	6.99½	6.94¼	6.99¼	+0.04¾	25,702
Aug 97	6.97½	6.94½	6.97½	+0.06	3,507

Est. sales N.A. Mon's. sales 45,164
Mon's open int 145,770 up 119

WHEAT (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Mar 97	3.93	3.87	3.92½	+0.04	32,251
May 97	3.71½	3.67	3.70	+0.02¾	7,459
Jul 97	3.50	3.46¼	3.49¾	+0.03	20,531
Sep 97	3.54½	3.51	3.54½	+0.04½	1,016

Est. sales N.A. Mon's. sales 14,903
Mon's open int 62,158 up 903

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 97	65.32	64.22	64.32	—1.02	36,410
Apr 97	65.87	65.10	65.37	—0.55	24,703
Jun 97	63.10	62.70	62.92	—0.18	10,882
Aug 97	62.97	62.70	62.87	—0.08	10,214
Oct 97	65.85	65.60	65.72	—0.08	6,494
Dec 97	67.15	67.00	67.05		2,590

Est. sales 22,419 Mon's. sales 11,275
Mon's open int 91,931 off 798752

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 97	67.75	67.07	67.25	—0.40	3,056
Mar 97	68.15	67.30	67.42	—0.70	6,218
Apr 97	68.45	67.62	67.70	—0.62	2,244
May 97	68.95	68.27	68.50	—0.40	3,132
Aug 97	70.65	70.30	70.40	—0.17	2,421
Sep 97	70.40	70.17	70.30	—0.20	380

Est. sales 4,086 Mon's. sales 2,117
Mon's open int 18,086 up 12

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 97	78.87	78.12	78.67	—0.20	13,972
Apr 97	76.75	76.20	76.67	+0.07	6,703
Jun 97	79.80	79.25	79.77	+0.30	5,982
Jul 97	77.22	76.52	77.20	+0.30	1,317
Aug 97	73.92	73.25	73.90	+0.38	1,144
Oct 97	67.30	66.37	67.25	+0.50	996

Est. sales 5,926 Mon's. sales 7,503
Mon's open int 31,088 up 757

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 97	82.20	81.25	81.52	—0.95	4,253
Mar 97	81.30	80.72	81.00	—0.32	1,092
May 97	81.45	80.85	81.15	+0.20	810
Jul 97	79.97	79.20	79.97	+0.12	497
Aug 97	75.45	74.52	74.52	—0.50	275

Est. sales 1,973 Mon's. sales 2,874
Mon's open int 6,927 up 448

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Close	Chge	Opint
Mar 97	1383	1367	1370	—6	31,040
May 97	1404	1388	1391	—7	13,958
Jul 97	1423	1412	1412	—9	10,724
Sep 97	1440	1433	1433	—4	7,033
Dec 97	1457	1455	1449	—7	1,932

Est. sales N.A. Mon's. sales 3,942
Mon's open int 82,323 off 141

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	119.80	114.00	119.35	+5.30	19,720
May 97	117.50	112.40	117.05	+4.60	6,894
Jul 97	115.50	111.15	115.15	+4.20	2,201
Sep 97	111.40	109.50	113.50	+3.40	1,748

Est. sales 14,350 Mon's. sales 7,121
Mon's open int 32,226 off 417

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	10.99	10.84	10.96	—0.11	78,458
May 97	11.06	10.94	11.05	—0.05	32,653
Jul 97	10.96	10.86	10.95	—0.05	25,945
Oct 97	10.97	10.83	10.91	—0.03	14,978

Est. sales 18,273 Mon's. sales 19,302
Mon's open int 158,820 up 1257

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 97	79.40	78.50	78.55	+0.25	1,033
Mar 97	82.30	81.50	81.50	—0.10	19,863
May 97	85.70	85.00	84.80	—0.25	4,666
Jul 97	88.75	88.50	88.20	+0.20	1,013

Est. sales N.A. Mon's. sales 3,482
Mon's open int 27,120 up 127

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Jan 97			358.80	+1.00	
Feb 97	360.70	358.70	359.70	+1.00	102,231
Mar 97			360.50	+1.00	
Apr 97	362.50	360.40	361.50	+1.00	25,173
Jun 97	364.90	362.70	363.70	+1.00	16,751
Aug 97	365.00	365.00	366.10	+1.00	5,636
Oct 97	369.00	368.70	368.50	+1.00	2,375
Dec 97	371.60	370.30	370.90	+1.00	14,644

Est. sales N.A. Mon's. sales 43,111
Mon's open int 201,377 up 2971

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 97	108.20	104.00	108.20	+4.20	5,443
Feb 97	106.60	103.70	106.45	+3.80	1,745
Mar 97	105.55	101.00	105.15	+3.60	23,206
Apr 97	103.00	100.70	103.15	+3.00	978
May 97	102.10	99.00	101.85	+2.85	4,369
Jun 97			100.85	+2.80	766
Jul 97	99.45	97.90	99.65	+2.50	3,582
Aug 97			98.85	+2.45	581
Sep 97	97.00	96.60	97.85	+2.20	2,592

Est. sales N.A. Mon's. sales 4,547
Mon's open int 51,918 up 232

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Close	Chge	Opint
Jan 97	464.0	464.0	467.2	+5.9	48
Feb 97			469.1	+5.8	2
Mar 97	476.8	465.5	471.0	+5.8	61,258
May 97	479.0	473.0	475.4	+5.9	9,884
Jul 97	484.0	478.0	479.9	+5.9	8,354
Sep 97	484.0	484.0	484.4	+5.9	2,952
Dec 97	492.5	490.5	491.2	+6.0	5,018
Jan 98			494.0	+6.0	9

Est. sales N.A. Mon's. sales 11,841
Mon's open int 89,728 up 2126

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Jan 97	364.70	362.00	363.50	+2.20	321
Apr 97	367.50	365.50	367.10	+2.20	19,574
Jul 97	370.50	368.50	369.40	+2.10	2,462
Oct 97	373.50	372.50	372.10	+2.00	2,157
Jan 98			374.70	+2.00	1,073

Est. sales N.A. Mon's. sales 3,419
Mon's open int 25,587 off 516

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1525.00	1526.00	1520½	1521½
Forward	1556½	1557.00	1552.00	1553½
Copper Cathodes (High Grade)				
Spot	2235.00	2240.00	2302.00	2305.00
Forward	2213.00	2214.00	2193.00	2195.00
Lead				
Spot	688.00	689.00	697.00	698.00
Forward	693.00	694.00	699.00	700.00
Nickel				
Spot	6950.00	6955.00	6780.00	6790.00
Forward	7038.00	7040.00	6865.00	6870.00
Tin				
Spot	5705.00	5715.00	5695.00	5705.00
Forward	5770.00	5775.00	5755.00	5760.00
Zinc (Special High Grade)				
Spot	1046.00	1047.00	1045.00	1046.00
Forward	1068.00	1069.00	1066½	1067.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 97	94.94	94.92	94.92		4,891
Jun 97	94.77	94.74	94.77	+0.01	2,639
Sep 97			94.58	—0.01	38

Est. sales N.A. Mon's. sales 772
Mon's open int 7,568 off 185

5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	106-11	106-015	106-08	— 04	154,291
Jun 97	106-01	105-26	105-27	— 04	2,912

Est. sales N.A. Mon's. sales 30,229
Mon's open int 157,203 up 481

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	108-21	108-04	108-09	— 06	299,277
Jun 97	108-00	107-19	107-22	— 06	11,034
Sep 97			107-07	— 06	180

Est. sales N.A. Mon's. sales 72,319
Mon's open int 310,491 up 6794

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Mar 97	111-17	110-22	110-28	— 13	436,497
Jun 97	111-01	110-07	110-12	— 13	15,736
Sep 97	110-19	109-27	109-30	— 13	5,131
Dec 97	109-17	109-13	109-16	— 13	3,593

Est. sales N.A. Mon's. sales 216,624
Mon's open int 460,314 up 4177

GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	99.73	99.32	99.58	—0.04	206,312
Jun97	98.79	98.56	98.68	—0.04	471

Est. sales: 174,226. Prev. sales: 107,173
Prev. open int.: 206,743 off 2,700

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar97	108-17	108-00	108-09	—0-01	133,777
Jun97	N.T.	N.T.	107-19	—0-01	

Est. sales: 52,535. Prev. sales: 37,867
Prev. open int.: 133,789 up 506

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	128.18	127.60	128.02	+0.16	116,781
Jun 97	126.76	126.22	126.66	+0.14	8,508
Sep 97	124.60	124.60	125.04	+0.14	100
Dec 97	N.T.	N.T.	94.38	—0.02	0

Est. volume: 125,322. Open int.: 313,600 up 31.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	127.96	126.85	127.73	+0.44	89,277
Jun97	127.40	127.12	127.30	+0.47	1,398

Est. sales: 45,307. Prev. sales: 22,288
Prev. open int.: 90,585 up 1,023

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	Opint
Jan 97	94.450	94.435	94.445		24,398
Feb 97	94.418	94.400	94.410		4,640
Mar 97	94.390	94.370	94.380		412,286
Jun 97	94.220	94.170	94.200		333,581
Mar 00	93.260	93.190	93.200	—30	39,194
Jun 00	93.280	93.130	93.140	—30	36,287
Sep 00	93.150	92.980	93.098	—30	31,783
Dec 00	93.070	93.000	93.000	—40	25,492

Est. sales 306,320 Mon's. sales 237,342
Mon's open int 2,094,334 up 9753

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	Opint
Mar 97	1.6966	1.6884	1.6918	+8	41,679
Jun 97	1.6920	1.6860	1.6872	+10	2,234
Sep 97			1.6826	+12	1,027
Dec 97			1.6780	+14	7

Est. sales 8,674 Mon's. sales 12,571
Mon's open int 44,947

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Close	Chge	Opint
Mar 97	.7414	.7359	.7401	+44	52,867
Jun 97	.7455	.7418	.7442	+47	8,110
Sep 97	.7485	.7455	.7477	+49	3,794
Dec 97	.7512	.7512	.7510	+51	355

Est. sales 12,738 Mon's. sales 18,425
Mon's open int 64,332 off 6654

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	Opint
Mar 97	.6466	.6416	.6424	—1	62,137
Jun 97	.6482	.6460	.6464		4,993
Sep 97			.6505		1,775
Dec 97			.6545		17

Est. sales 15,343 Mon's. sales 25,590
Mon's open int 68,922 up 2024

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	Opint
Mar 97	.008786	.008706	.008766	+35	67,750
Jun 97	.008885	.008851	.008881	+36	1,788
Sep 97			.008998	+37	370

Est. sales 18,327 Mon's. sales 23,589
Mon's open int 69,965 off 131

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	Opint
Mar 97	.7484	.7418	.7438	—2	46,530
Jun 97	.7544	.7490	.7506	—3	1,546
Sep 97			.7576	—3	1,813

Est. sales 15,601 Mon's. sales 17,703
Mon's open int 49,891 up 1783

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	96.89	96.87	96.89	+0.01	207,557
Jun97	96.83	96.79	96.83	+0.02	170,245
Sep97	96.69	96.64	96.69	+0.02	136,487
Dec97	96.48	96.44	96.48	+0.01	127,833
Mar98	96.25	96.19	96.24	+0.01	85,664
Jun98	95.97	95.92	95.97	+0.02	70,890
Sep98	95.67	95.63	95.67	+0.02	64,270
Dec98	95.36	95.33	95.36	+0.02	55,367
Mar99	95.08	95.05	95.07	+0.02	36,039
Jun99	94.80	94.75	94.79	+0.02	21,021
Sep99	94.54	94.51	94.53	+0.01	15,216
Dec99	94.26	94.24	94.26	+0.02	2,459

Est. sales: 110,190. Prev. sales: 82,679
Prev. open int.: 993,878 up 7,566

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	93.32	93.26	93.28	+0.02	95,810
Jun97	93.03	92.97	93.02	+0.02	88,256
Sep97	92.79	92.74	92.79	+0.02	55,990
Dec97	92.61	92.56	92.61	+0.02	43,574
Mar98	92.48	92.46	92.49	+0.02	32,596
Jun98	92.41	92.38	92.42	+0.02	22,047
Sep98	92.36	92.33	92.36	+0.03	18,305
Dec98	92.27	92.25	92.28	+0.03	15,436
Mar99	92.22	92.18	92.22	+0.04	8,029
Jun99	92.13	92.10	92.13	+0.03	5,415
Sep99	92.06	92.03	92.06	+0.03	4,371
Dec99	92.00	91.99	92.01	+0.03	1,446

Est. sales: 41,725. Prev. sales: 53,986
Prev. open int.: 391,475 up 3,700

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	96.73	96.67	96.71	+0.02	73,953
Jun 97	96.73	96.66	96.70	+0.03	36,451
Sep 97	96.64	96.58	96.62	+0.03	28,025
Dec 97	96.52	96.45	96.50	+0.03	19,833
Mar 98	96.33	96.28	96.31	+0.02	15,070
Jun 98	96.12	96.07	96.09	+0.01	11,038
Sep 98	95.88	95.83	95.84	+0.01	11,443
Dec 98	95.57	95.53	95.56	+0.02	8,269
Mar 99	95.29	95.25	95.26	+0.01	11,270
Jun 99	95.00	94.98	94.98	+0.02	5,770
Sep 99	94.75	94.71	94.71	+0.02	2,097
Dec 99	94.47	94.45	94.46	+0.01	638

Est. volume: 46,724. Open int.: 224,657 up 2,822.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	93.40	93.32	93.39	+0.03	97,019
Jun97	93.82	93.73	93.81	+0.02	55,978
Sep97	94.00	93.94	94.09	+0.02	30,782
Dec97	94.04	93.99	94.03	+0.03	17,102
Mar98	94.02	93.98	94.01	+0.02	12,118
Jun98	93.96	93.96	93.97	+0.03	2,813

Est. sales: 22,742. Prev. sales: 19,764
Prev. open int.: 215,809 up 2,416

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	74.60	73.56	73.63	—0.57	22,411
May 97	75.90	75.06	75.13	—0.47	13,292
Jul 97	76.80	76.21	76.23	—0.37	7,491
Oct 97	77.10	76.90	76.65	—0.28	1,303
Dec 97	76.77	76.25	76.40	—0.20	9,837
Mar 98			77.35	—0.12	454

Est. sales N.A. Mon's. sales 8,826
Mon's open int 55,168 off 288

HEATING OIL (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Feb 97	73.90	72.00	72.49	—1.15	44,023
Mar 97	71.45	70.80	70.44	—0.73	15,921
Apr 97	67.45	66.85	67.04	—0.43	8,791
May 97	64.00	63.75	63.79	—0.38	4,487
Jun 97	61.75	61.30	61.54	—0.38	5,576
Jul 97	60.60	60.50	60.49	—0.38	3,380
Aug 97			60.44	—0.38	3,207
Sep 97	60.60	60.60	60.64	—0.38	2,864
Oct 97			60.89	—0.38	1,811
Nov 97			61.14	—0.38	1,236

Est. sales N.A. Mon's. sales 42,963
Mon's open int 99,132 up 6169

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Close	Chge	Opint
Feb 97	26.45	26.07	26.23	—0.14	96,127
Mar 97	25.72	25.40	25.54	—0.12	44,465
Apr 97	25.00	24.70	24.83	—0.12	28,015
May 97	24.25	24.11	24.15	—0.12	19,453
Jun 97	23.63	23.43	23.50	—0.12	20,316
Jul 97	23.00	23.00	22.90	—0.12	14,261
Aug 97	22.49	22.39	22.41	—0.12	13,362
Sep 97	22.08	21.92	21.95	—0.12	13,485
Oct 97	21.58	21.50	21.52	—0.12	9,193
Nov 97	21.19	21.16	21.16	—0.12	8,269
Dec 97	20.95	20.84	20.86	—0.13	23,786
Jan 98	20.68	20.60	20.61	—0.14	9,187
Dec 00	19.55	19.55	19.20	—0.24	73

Est. sales N.A. Mon's. sales 87,180
Mon's open int 373,746 up 5548

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Close	Chge	Opint
Feb 97	3.799	3.280	3.334	—302	33,863
Mar 97	3.310	2.920	3.026	—179	22,140
Apr 97	2.750	2.500	2.566	—45	11,403
May 97	2.500	2.370	2.316	—94	9,549
Jun 97	2.315	2.200	2.220	—70	8,383
Jul 97	2.280	2.200	2.210	—62	7,549
Aug 97	2.275	2.195	2.218	—55	7,084
Sep 97	2.270	2.200	2.220	—45	6,661
Oct 97	2.280	2.208	2.200	—70	6,745
Nov 97	2.375	2.300	2.320	—40	3,733
Dec 97	2.460	2.390	2.410	—30	6,887

Est. sales N.A. Mon's. sales 39,972
Mon's open int 153,343 up 5268

UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Feb 97	72.80	71.70	72.10	—0.42	35,053
Mar 97	72.10	71.25	71.55	—0.25	18,554
Apr 97	73.20	72.40	72.70	—0.28	6,637
May 97	72.25	72.00	71.85	—0.28	3,851
Jun 97	70.70	70.30	70.31	—0.32	3,415
Jul 97	68.85	68.60	68.41	—0.37	1,508

Est. sales N.A. Mon's. sales 25,656
Mon's open int 61,542 up 2371

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Close	Chge	Opint
Jan 97	231.00	228.50	229.50	—2.50	13,346
Feb 97	228.25	225.75	226.25	—2.25	22,440
Mar 97	218.25	225.75	217.00	—1.50	9,077
Apr 97	208.25	205.75	207.00	—1.25	7,011
May 97	200.25	198.50	199.25	—1.00	3,115
Jun 97	194.00	192.50	193.25	—0.50	7,476
Jul 97	191.25	190.50	190.75	—1.00	2,573
Aug 97	190.75	190.00	190.00	—0.50	870
Sept 97	N.T.	N.T.	188.75	—0.75	478
Oct 97	187.75	187.50	188.00	—0.50	647
Nov 97	187.00	187.00	187.00	—0.50	180

Est. sales: 28,049. Open int.: 69,623 off 747

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Close	Chge	Opint
Feb 97	24.70	24.42	24.51	—0.05	54,135
Mar 97	24.14	23.88	23.96	—0.13	40,473
Apr 97	23.50	23.25	23.30	—0.15	19,391
May 97	22.84	22.64	22.66	—0.14	11,538
June 97	22.08	22.04	22.17	—0.13	14,844
July 97	21.54	21.53	21.48	—0.11	9,851
Aug 97	N.T.	N.T.	21.00	—0.77	2,085
Sep 97	N.T.	N.T.	20.60	—0.10	4,895
Oct 97	20.34	20.19	20.25	—0.09	2,972
Nov 97	N.T.	N.T.	19.94	—0.09	2,857

Est. sales: 44,123. Open int.: 166,822 up 2,147

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Close	Chge	Opint
Mar 97	757.50	746.60	757.20	+6.50	183,314
Jun 97	763.80	753.30	763.88	+6.50	6,495
Sep 97	770.85	760.80	761.40	—2.80	1,506
Dec 97	778.40	769.15	772.40	+0.90	551

Est. sales N.A. Mon's. sales 72,249
Mon's open int 191,866 off 1389

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Chge	Opint
Mar97	4113.0	4105.0	4082.0	—34.0	55,425
Jun97	N.T	N.T	4104.0	—34.0	2,844
Sep97	N.T	N.T	4122.0	—34.0	1,382

Est. sales: 10,704. Prev. sales: 12,565
Prev. open int.: 59,651 up 1,257

CAC 40 (MATIF) FF200 per index point

	High	Low	Close	Chge	Opint
Jan 97	2321.0	2298.0	2305.0	—8.00	20,680
Feb 97	2322.5	2307.5	2309.5	—8.00	3,741
Mar 97	2328.0	2311.0	2315.5	—8.50	15,221
Jun 97	2289.0	2276.0	2277.5	—9.00	365
Sep 97	2299.5	2294.5	2287.5	—8.50	6,376
Mar 98	N.T.	N.T.	2326.0	—8.00	4,693
Sep 98	N.T.	N.T.	2300.0	—8.00	640

Est. volume: 14,020. Open int.: 50,736 up 227.

Commodity Indexes

	Close	Previous
Moody's	1,444.40	1,432.70
Reuters	1,874.10	1,874.80
D.J. Futures	148.28	147.71
CRB	242.38	242.14

Austria Says Deficit Will Meet Criteria For Single Currency

Bloomberg Business News

VIENNA — Austria said Tuesday that it had cut its government deficit to 3.7 percent of gross domestic product in 1996 and was on target to join the proposed single European currency in the first wave.

The federal government deficit fell to 89.4 billion schillings ($8.12 billion) at the end of 1996, according to preliminary figures released by the Finance Ministry. The deficit stood at 5.0 percent of GDP in 1995.

Finance Minister Viktor Klima said Austria was on target to meet the requirements for monetary union set out in the Maastricht treaty.

The treaty set out limits on interest rates, inflation, government deficits and total debt, which participating countries must meet by the end of this year.

"What this means is Austria will actually attain the goals in the Maastricht treaty," Mr. Klima said. "This will be a very important and very decisive step for the country."

Mr. Klima said that spending cuts and tax increases would further reduce the country's deficit to 2.7 percent of GDP by the end of 1997, beneath the 3.0 percent Maastricht limit. The overall deficit is seen dropping to 68 billion schillings.

But analysts said that the growth of the economy, more than prearranged budget cuts and tax increases, would decide whether Austria met Maastricht deficit goals. The government sees the economy growing 1.2 percent this year.

"I think the finance minister is being overly optimistic," said Roman Friesacher, a currency trader at Deutsche Morgan Grenfell. "He's saying Austria will be in the common currency but the economy may not grow enough to get us there."

Mr. Klima said Austria's 1996 government debt, at 1.4 trillion schillings, was "about 70 percent" of GDP. The debt will continue to fall this year, Mr. Klima said, although not enough to reach the 60 percent Maastricht limit.

Austria's governing coalition last year adopted a two-year package of spending cuts and tax increases to reduce deficits and debt to qualify for the single European currency.

7 Founders Predicted

Seven countries led by Germany and France will join the single European currency in the first round, Finance Minister Gerrit Zalm of the Netherlands predicted in a newspaper interview, Agence France-Presse reported from Lisbon.

Mr. Zalm said that the launch on Jan. 1, 1999, would be best accomplished by a "small and united" group of countries. He told the Diario Economico newspaper that such a group might be formed of France and Germany plus Belgium, the Netherlands, Luxembourg, Ireland and possibly Austria.

Creditanstalt Faces A Friday Deadline

Bloomberg Business News

VIENNA — Unless competitors raise their bids by Friday, the Austrian government said Tuesday it was poised to sell its controlling stake in Creditanstalt-Bankverein AG to Bank Austria AG, leading to the fusion of the country's two biggest banks.

Finance Minister Viktor Klima said that the government's need for funds may force him to accept the current high bid from Bank Austria, even though one party has threatened to pull out of the country's ruling political coalition and topple it.

Bank Austria has bid 16.7 billion schillings ($1.52 billion) for the government's 70-percent voting stake in Creditanstalt, the highest of three bids and about 3 billion schillings more than a 13.8 billion offer from a group led by EA-Generali AG.

The emergence of Bank Austria as the top bidder for Creditanstalt has threatened to scuttle a one-year-old coalition of Social Democrats and mainstream conservatives.

Bank Austria is controlled by Social Democrats, who hold a plurality in Parliament and appoint most of the bank's management board members. Creditanstalt is controlled by the country's conservative People's Party, the junior partner in the country's ruling coalition.

Telekom's Local Foes

Small Firms Take On Germany's Giant

Reuters

BONN — NetCologne GmbH, a local telecommunications operator, said Tuesday it would launch a citywide on-line service next week and outlined long-term plans to capture a big piece of the local telephone market.

The company comprises the telecommunications activities of three municipal companies in Cologne and exemplifies the fierce competition facing Germany's telecommunications giant, Deutsche Telekom AG, when markets are opened next year.

"We want to capture 20 percent of the city's telecommunications market by the year 2004," said NetCologne's managing director, Werner Hanf.

Although it is a small company, NetCologne is just one of more than a dozen city networks that are entering the local communications market by offering basic phone service, corporate networks, Internet access and cable television.

The city companies often have substantial local networks that allow them to take on Telekom in a door-to-door battle for local customers. The local operators also could form strategic partnerships with the long-distance networks operated by bigger players and could have a significant impact on Telekom's market share.

The German telecommunications market is expected to be worth more than 100 billion Deutsche marks ($63.88 billion) by 2000. Analysts estimate Telekom's share of the market could fall to around 70 percent by then.

Cologne itself has slightly fewer than 1 million inhabitants. It is a major center for the arts, commerce and media, hosting Germany's leading commercial broadcaster, Radio Television Luxembourg, and industry giants such as the German subsidiary of Ford Motor Co.

NetCologne will expand its Internet services next week, when it launches "Columbus," an online city guide that offers access to government services and local businesses and entertainment.

It already offers local customers Internet access, electronic mail, a home page on the World Wide Web, Internet-based phone services and corporate network services.

The company plans to invest 300 million DM over the next 10 years to expand its local network to cover the city center, outlying industry and, eventually, the entire greater Cologne region.

Its strategy is to build a so-called full-service network — high-speed optical fiber lines that make it possible to merge cable television, Internet and basic telephone services in one network.

Mr. Hanf predicted that Deutsche Telekom could lose another 20 percent of the Cologne market to other competitors such as DBKom GmbH, a joint venture created by an engineering conglomerate, Mannesmann AG, a railroad, Deutsche Bahn AG, and AT&T Corp. of the United States. Another competitor is the joint venture between VEBA AG, RWE AG and Cable & Wireless PLC of Britain.

Springer Sets Brakes On A Kirch Buy

Compiled by Our Staff From Dispatches

HAMBURG — Axel Springer Verlag AG said Tuesday that Kirch Group would not be allowed to raise its take in the satellite channel SAT-1 Satelliten Fernsehen GmbH unless it obtains the approval of at least 75 percent of SAT-1 shareholders.

Kirch Group said it had already raised its stake in SAT-1 to 59 percent from 43 percent by purchasing AV Euromedia/Holtzbrinck's 15 percent stake and Ravensburger Film & TV GmbH's 1 percent stake in the company.

But Axel Springer said it had asked Euromedia and Ravensburger to take note of a regulation in SAT-1's company statutes that stipulates that shareholders may not sell stakes without shareholder approval.

Axel Springer holds a direct stake of 20 percent in SAT-1 and a further stake of 20 percent indirectly.

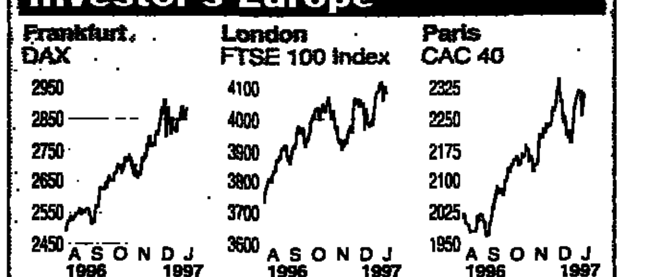
"It doesn't mean we're against the takeover," said Edda Fels, a Springer spokeswoman. Springer has not yet decided how it views the move, she said, although it wants to make sure the provisions of the contract are followed. So far the provisions have not been fulfilled, she added.

Kirch Group, which also owns a 35 percent stake in Springer, said it believed the problems could be resolved and the two companies could work together.

Kirch Group said it was taking advantage of changes in German law that allowed companies to hold a majority stake in broadcasters. German regulatory authorities still must approve the sale.

(AFX, Bloomberg)

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	EOE	648.29	652.84	-0.70
Brussels	BEL-20	1,891.94	1,898.76	-0.36
Frankfurt	DAX	2,886.13	2,881.32	+0.17
Copenhagen	Stock Market	483.08	482.84	+0.05
Helsinki	HEX General	2,543.68	2,517.20	+1.05
Oslo	OBX	552.53	552.40	+0.02
London	FTSE 100	4,078.80	4,106.50	-0.67
Madrid	Stock Exchange	447.57	445.39	+0.49
Milan	MIBTEL	10,592.00	10,573.00	+0.18
Paris	CAC 40	2,301.69	2,306.67	-0.22
Stockholm	SX 16	2,520.85	2,522.44	-0.06
Vienna	ATX	1,137.09	1,139.62	-0.22
Zurich	SPI	2,510.80	2,506.22	+0.18

Source: Telekurs — International Herald Tribune

Very briefly:

- **Heineken NV** plans to raise production of export beers by about 15 percent to meet growing demand, particularly from the United States.
- **Bloomberg Television**, the Italian news agency ANSA and the private **Telepiu** television channel have launched an all-news channel in Italy.
- **PolyGram NV**, a unit of **Philips NV**, has acquired a 25 percent stake in the four main music labels of Turkey's leading record company, **Raks Muzik**.
- **Canal Plus SA**, the French pay TV company, has reached an exclusive agreement with **PolyGram Filmed Entertainment** on the rights to broadcast PolyGram films.
- **Britain** recorded 2,025,450 new-car registrations in 1996, the highest total in seven years and a rise of more than 4 percent from 1995. **Ford Motor Co.'s** British unit sold the most cars, with a 19.6 percent market share, while **General Motors Corp.'s Vauxhall** brand came in second with 14.02 percent.
- **Bayerische Motoren Werke AG** said sales worldwide of its BMW cars rose 9 percent, to 640,000 in 1996, while those of its **Rover** division rose 6 percent, to just over 500,000. U.S. sales of BMW cars rose 13 percent, to 105,761.
- **Kloeckner-Humboldt-Deutz AG** has shortened its name to Deutz AG.
- **The European Commission** said it was still waiting for details from the French government on the latest restructuring plan for **Credit Lyonnais**, the loss-making state-owned bank. France was supposed to have provided details of the plan before the end of 1996 so the EU could see whether it broke antitrust rules.
- **Hachette-Filipacchi Presse**, a French publishing company, plans to publish an English-language version of Elle magazine in India. The new edition, which will be the 28th international edition, will be launched as part of a joint venture with Indian industrial group **Oogan**.

Bloomberg, AFP, AFX

Italy's Growth Surpasses Forecasts

Reuters

ROME — Italy's economy grew slightly more than expected in the third quarter of 1996, with imports and exports rising strongly, the national statistics office, Istat, said Tuesday.

Italy's gross domestic product rose 0.7 percent year-on-year between July and September, and rose 0.6 percent by comparison with the second quarter, Istat said.

Provisional data released by Istat in November pointed to a 0.5 percent increase in both cases.

Over the first three quarters of the year, the economy grew by 0.9 percent from the comparable period in 1995, with the construction, agriculture and service sectors all showing gains. The industry sector, however, declined 0.4 percent.

Prime Minister Romano Prodi's center-left government has forecast growth of 0.8 percent for 1996, a goal that an Istat spokesman Tuesday described as realistic.

Mr. Prodi's government has projected growth of 2 percent in 1997, but most economists say this is optimistic given the 1997 austerity budget approved by Parliament last month. Further budgetary measures will almost certainly be needed in early 1997 to cover a larger-than-expected public sector deficit in 1996, partially caused by the sluggish economy.

WORLD STOCK MARKETS

Tuesday, Jan. 7

Prices in local currencies.

Telekurs

Amsterdam
EOE Index: 648.29 Previous: 652.84

	High	Low	Close	Prev.
ABN-AMRO	112.20	111.10	111.20	111.90
Aegon	114.70	112.50	113.40	114.60
Ahold	108.40	105.70	105.90	107.30
Akzo Nobel	248.40	244.30	245.40	245.70
Baan Co.	64	63.10	63.40	63.40
Bols Wess cva	32.10	31.50	31.80	32.20
CSM cva	95.20	94.50	94.50	96
Dordtsche Pet	323	320	320.80	321.50
DSM	171.50	168.50	170	170
Elsevier	29.30	28.70	28.80	29.30
Fortis Amev	62.20	61.20	62	62.10
Getronics	48.30	47.50	48	47.70
G-Broc cva	54.30	53.50	54	54.40
Hagemeyer	141.50	140	141.40	142
Heineken	314.50	310.20	312	312
Hoogovens cvr	71.70	69.70	70.30	71.90
Hunt Douglas	119.40	118.20	118.90	118.90
ING Group	63.80	62.60	63.40	63.70
KLM	48.20	47.40	48.10	48.40
KNP BT	38	37	37	38
KPN	65.20	64.60	64.80	65.30
Nedlloyd Gp	47.20	46.20	46.90	47
Nutricia	262	260.50	261.60	261.50
Oce Grinten	193.10	191	191.90	193
Philips Elec	69.80	69	69.40	69.90
Polygram	87.90	84	87.20	84.70
Randstad Hdg	127.50	122.60	127.30	126.20
Robeco	144	143	143	144.40
Rodamco	50.40	50.10	50.20	50.40
Rolinco	150	149	149	150.20
Rorento	105.30	105.10	105.10	105.50
Royal Dutch	303.20	300	301.70	302.50
Unilever cva	303.60	299.40	300	304.30
Vendex Intl	83.50	80.50	81	81.80
VNU	38	36.50	37.30	36.70
Wolters Kl cva	227	222.40	222.60	226.90

Bangkok
SET Index: 828.11 Previous: 798.23

	High	Low	Close	Prev.
Adv Info Svc	270	250	270	246
Bangkok Bk F	262	252	260	256
Krung Thai Bk	50.50	46.75	50.50	46
PTT Explor	382	370	380	382
Siam Cement F	808	772	800	768
Siam Com Bk F	186	171	184	167
Telecomasia	49	44.75	49	44.75
Thai Airways	36.50	35.50	36	35
Thai Farm Bk F	187	162	185	161
Utd Comm	179	164	179	163

To Our Readers

Due to technical difficulties at the source, the Bombay stock market was not available at press time.

Brussels
BEL-20 Index: 1891.94 Previous: 1898.76

	High	Low	Close	Prev.
Almanij	10625	10600	10600	10650
Barco Ind	5350	5270	5280	5360
BBL	6660	6600	6600	6660
Bekaert	19500	19000	19000	19675
CBR	3120	3065	3090	3060
CNP	1995	1940	1940	1960
Cobepa	1214	1208	1214	1216
Cockerill	133	127	133	127
Colruyt	14275	13950	13950	14125
Delhaize Lion	1945	1935	1935	1935
Electrabel	7490	7470	7470	7480
Electrafina	3070	3025	3050	3030
Fortis AG	5200	5150	5160	5140
Gevaert	2245	2210	2230	2225
GIB	1432	1420	1430	1430
GBL	4105	4080	4080	4085
Gen Banque	11375	11325	11325	11425
Kredietbank	10175	10075	10075	10175
Petrofina	10575	10475	10525	10480
Powerfin	4770	4735	4735	4760
Royale Belge	6520	6480	6480	6480
Soc Gen Belg	2495	2470	2485	2475
Solvay	19525	19500	19500	19500
Tractebel	14750	14625	14700	14750
UCB	83300	82000	82000	83000
Union Miniere	2140	2115	2115	2120

Copenhagen
Stock Index: 483.08 Previous: 480.72

	High	Low	Close	Prev.
BG Bank	285	272	283	278
Carlsberg B	402	396	398	397
Codan Fors	790	790	790	790
Danisco	363	358	359	359
Den Danske Bk	480	473	476	481.50
D/S Svendborg B	235000	232000	235000	230000
D/S 1912 B	165000	154000	164000	160000
FLS Ind B	776	760	775	754
Kob Lufthavne	640	609	640	625
Novo Nordisk B	549	530	548	544
Sophus Ber B	762	753	754	757
Tele Danmk B	329.25	323	329	327
Tryg Baltica	339	306	315	310
Unidanmark A	322	318	320	319

Frankfurt
DAX: 2886.13 Previous: 2881.32

	High	Low	Close	Prev.
AMB B	962	962	962	960
Adidas	140	136	139.30	135.20
Allianz Hdg	2722	2706	2714	2735
Altana	1194	1180	1194	1199
Bk Berlin	28.30	28	28.30	28.65
BASF	57.50	56.80	56.90	58.50
Bayer Hypo Bk	46.35	46.05	46.25	46.45
Bay.Vereinsbank	60.70	59.80	60.05	61
Bayer	61.80	60.70	60.85	61.70
Beiersdorf	77.40	75.80	76.10	75.95
BMW	1049	1044	1047	1040
Commerzbank	41.15	40.45	41.15	40.20
Daimler Benz	109.40	108.50	108.95	108.30
Degussa	688	667	685	677
Deutsche Bank	72.09	71.70	72.05	71.32
Deut Telekom	32.25	32	32.18	32.15
Dresdner Bank	47.70	47.15	47.63	46.35
Fresenius	311.50	308	311.50	309.50
Fresenius Med	136.50	134.50	136.40	133.70
Fried. Krupp	245	242	245	244
Gehe	98.50	96.10	96.10	97.90
Heidelbg Zmt	127	125.50	125.50	127.50
Henkel pfd	78	77.10	77.90	77.25
Hochtief	61.70	61	61.50	61.50
Hoechst	71.70	70.75	71.55	72
Karstadt	517	515	515.80	519.50
Linde	977	971	976	978.50
Lufthansa	21.35	21.15	21.35	21.27
MAN	393	387	391	387.80
Mannesmann	667	662.50	664.50	676.50
Metallgesellschaft	31.25	30.55	31.20	31.29
Metro	124.80	124.30	124.70	125.30
Munch Rueck R	3700	3670	3675	3725
Preussag	373.75	370	372.50	364
RWE	65	64.40	64.95	64.40
SAP pfd	214.80	210	214.70	210
Schering	133.30	130.50	132.90	128.70
Siemens	74.10	72.83	74.03	73
Thyssen	282.50	280.20	282.50	278.50
Veba	92.10	91.55	92	91
VEW	500	499	499	495
Viag	613	610.20	612.50	618
Volkswagen	653.80	648	653.80	651.50

Helsinki
HEX General Index: 2543.68 Previous: 2517.20

	High	Low	Close	Prev.
Cultor 1	250	244	246	243
Enso A	38.80	37.90	38.80	37.90
Huhtamaki I	220	214	216	215.80
Kemira	61.50	57.50	57.60	58.50
Kesko	66.20	65	65.90	64.50
Merita A	14.50	14.20	14.30	14.40
Metra B	259.50	258	259	258.50
Metso-Serla B	36.20	35.80	35.90	35.90
Neste	115	112	114	112
Nokia A	274.10	269.90	272	267.50
Orion-Yhtymae	178.50	176.50	177	177.20
Outokumpu A	80	78.50	78.50	79.70
Rautaruukki	44.40	43.20	43.50	43.20
Sampo Insur	369	365	366	365
UPM-Kymmene	99.30	98	98.50	97.80
Valmet	83	82	82	81

Hong Kong
Hang Seng: 13428.16 Previous: 13443.93

	High	Low	Close	Prev.
Amoy Props	11.20	11	11	11.15
Bk East Asia	34.20	33.80	34	34.20
Cathay Pacific	12.20	12.10	12.10	12.20
Cheung Kong	73.25	70.75	73	68
CK Infrastruct	23.20	20.85	21.25	21.15
China Light	35.80	34.70	34.80	35.60
China Ovseas Ld	4.15	3.98	4.08	3.95
China Res Ent	18.10	17.35	17.35	18.05
Chin Estates	8.90	8.75	8.80	8.90
Citic Pacific	40.10	38.70	39.20	40.20
Cons Elec Pwr	18.25	18.15	18.20	18.20
Cosco Pacific	9.05	8.80	8.90	8.90
Dao Heng Bk	37.90	37.50	37.80	37.50
First Pacific	10.10	9.70	9.80	10.05
Great Eagle	34.10	33	34.10	33.20
Guangdong Inv	8.05	7.15	7.30	8.05
Guoco Group	44.90	44.60	44.70	44.60
Hang Lung Dev	16.65	16.40	16.60	16.80
Hang Seng Bk	93.50	91.75	92.25	93.25
Henderson Inv	9.25	9	9.15	9.15
Henderson Ld	76.25	74.50	74.75	76
HKR Intl	13.70	13.20	13.20	13.55
HK China Gas	15.30	14.70	14.75	15.15
HK Electric	27.70	26.75	27.40	25.20
HK Shang Htls	14.95	14.50	14.55	14.85
HK Telecomm	12.45	12.10	12.15	12.40
Hopewell Hdgs	4.98	4.83	4.85	4.98
HSBC Hdgs	168.50	166.50	167.50	168
Hutchison Wh	61.50	60	61.25	58.50
Hysan Dev	30.30	29.90	29.90	30.50
Johnson El Hdg	22.05	21.70	21.90	21.80
Kerry Props	20.80	20.45	20.50	20.75
Natl Mutual	7.40	7.35	7.40	7.40
New World Dev	54	51.50	53.75	53.75
N World Infrastr	23.70	23	23	23.40
Oriental Press	3.75	3.60	3.60	3.75
Pearl Oriental	4.93	4.80	4.83	4.90
Shanghai Indus	28	26.70	26.80	27.85
Shangri-La Asia	11.90	11.60	11.75	11.90
SHK Props	96.25	94	94.25	95.75
Shun Tak Hdgs	5.20	5.05	5.05	5.15
Sino Land Co.	9.45	9.30	9.30	9.40
Sth China Post	6.45	6.25	6.45	6.35
Swire Pac A	74.50	73.25	73.75	74
Tsim Sha Tsui	16.65	16.45	16.65	16.30
TV Broadcasts	30.90	30.20	30.40	30.80
Wharf Hdgs	39	38.60	38.70	39.20
Wheelock	22.55	22.10	22.20	22.50

Jakarta
Composite Index: 660.37 Previous: 653.96

	High	Low	Close	Prev.
Astra Intl	5450	5400	5425	5400
Bk Intl Indon	1975	1875	1975	1850
Bk Negara	1300	1275	1275	1300
Gudang Garm	11850	11100	11850	11050
Indocement	3575	3575	3575	3575
Indofood	4925	4750	4900	4850
Indosat	6650	6625	6625	6650
Sampoerna HM	13700	13000	13200	12950
Semen Gresik	8150	7950	8150	7900
Telekomunikasi	4275	4225	4225	4275

Johannesburg
All Market: 6614.50 Previous: 6576.17

	High	Low	Close	Prev.
Amalgamated Bks	24.75	23.65	24.50	23.70
AngloAm Coal	342.50	340	341	345.50
AngloAm Corp	254	251.50	253.50	254.25
AngloAm Gold	345	337	339	345
AngloAm Ind	166.75	165	166.75	165.25
Barlow	43.30	42.60	43.05	42.60
C.G. Smith	24	23.25	23.55	23.50
De Beers	130.25	128.75	130.25	130.50
Driefontein	45.25	44.90	45.15	45.85
Fst Natl Bk	24	23.20	24	23.30
Gencor	17.10	16.65	17.10	16.65
GFSA	124	123.75	124	124
Iscor	3.36	3.33	3.36	3.33
Liberty Hdgs	320	317	317	320
Liberty Life	117.75	116.75	117.75	117
Minorco	97	96.50	97	97
Nampak	18.20	18.10	18.20	18.15
Nedcor	64	62.75	64	62.75
Rembrandt Gp	41.80	41.50	41.60	41.50
Richemont	65.25	65	65.25	65.25
Rust Platinum	66	65	65	65.50
SA Breweries	117.75	115.75	117.75	115.75
Samancor	52	52	52	51.25
Sasol	55.50	54.50	55.50	54.75
SBIC	183.50	182.75	183.50	183
Tiger Oats	63.75	63.25	63.75	63.75

Kuala Lumpur
Composite: 1237.50 Previous: 1233.12

	High	Low	Close	Prev.
Genting	17.50	17.30	17.30	17.40
Mal Banking	27.75	26.75	27	27.75
Mal Intl Ship F	7.55	7.40	7.40	7.55
Petronas Gas	10.20	10.10	10.20	10.10
Renong	4.50	4.44	4.44	4.44
Resorts World	11.70	11.50	11.50	11.50
Sime Darby	10.30	10	10.20	10
Telekom Mal	22.40	22.20	22.30	22.40
Tenaga	12.20	12	12.20	11.90
Utd Engineers	23.90	23.10	23.90	23.10

London
FT-SE 100: 4078.80 Previous: 4106.50

	High	Low	Close	Prev.
Abbey Natl	7.54	7.49	7.53	7.53
Allied Domecq	4.49	4.27	4.35	4.42
Anglian Water	5.95	5.76	5.89	5.75
Argos	7.50	7.30	7.35	7.48
Asda Group	1.26	1.24	1.24	1.25
Assoc Br Foods	4.92	4.78	4.78	4.93
BAA	4.92	4.83	4.89	4.86
Barclays	10.25	10.05	10.16	10.07
Bass	8.25	8.06	8.08	8.24
BAT Ind	4.91	4.80	4.83	4.90
Bank Scotland	3.04	2.99	3.01	3.02
Blue Circle	3.70	3.62	3.64	3.69
BOC Group	8.90	8.73	8.90	8.77
Boots	6.28	6.20	6.21	6.27
BPB Ind	3.88	3.82	3.86	3.86
Brit Aerosp	12.67	12.43	12.48	12.67
Brit Airways	6.04	5.96	5.98	6.03
Brit Gas	2.26	2.18	2.20	2.26
Brit Land	5.38	5.28	5.38	5.31
Brit Petm	7.07	6.83	6.92	6.83
BSkyB	5.40	5.34	5.36	5.41
Brit Steel	1.60	1.56	1.57	1.58
Brit Telecom	4.09	3.95	3.96	3.99
BTR	2.70	2.64	2.66	2.69
Burmah Castrol	11.10	11.02	11.05	11.05
Burton Gp	1.60	1.57	1.57	1.60
Cable Wireless	4.74	4.66	4.68	4.74
Cadbury Schw	5.07	4.95	4.96	5.03
Carlton Comm	5.10	4.96	5	5.15
Comml Union	6.84	6.71	6.79	6.85
Compass Gp	6.25	6.15	6.16	6.21
Courtaulds	4.01	3.96	3.99	3.97
Dixons	5.44	5.23	5.38	5.44
Electrocomponents	4.57	4.51	4.53	4.58
EMI Group	13.88	13.60	13.67	13.93
Enterprise Oil	6.49	6.38	6.42	6.36
Forn Colonial	1.51	1.48	1.49	1.50
Genl Accident	7.45	7.35	7.42	7.39
GEC	3.94	3.90	3.93	3.93
GKN	10.20	10.08	10.10	10.16
Glaxo Wellcome	9.32	9.11	9.13	9.31
Granada Gp	8.57	8.48	8.54	8.53
Grand Met	4.49	4.43	4.44	4.51
GRE	2.77	2.72	2.73	2.80
Greenalls Gp	5.84	5.73	5.75	5.80
Guinness	4.50	4.35	4.36	4.49
GUS	6.23	6.06	6.15	6.24
Hanson	0.87	0.86	0.86	0.84
Hays	5.44	5.40	5.40	5.44
HSBC Hldgs	12.88	12.78	12.83	12.92
ICI	7.67	7.61	7.62	7.67
Impl Tobacco	3.91	3.83	3.83	3.91
Kingfisher	6.46	6.35	6.37	6.41
Ladbroke	2.31	2.28	2.30	2.30
Land Sec	7.67	7.55	7.66	7.57
Lasmo	2.35	2.26	2.33	2.26
Legal Genl Grp	3.87	3.78	3.78	3.73
Lloyds TSB Gp	4.75	4.32	4.34	4.37
LucasVarity	2.26	2.22	2.26	2.26
Marks Spencer	4.88	4.79	4.80	4.88
MEPC	4.74	4.54	4.72	4.52
Mercury Asset	12.43	12.31	12.34	12.39
National Grid	1.98	1.93	1.97	1.98
Natl Power	4.80	4.72	4.74	4.76
NatWest	7.18	7.02	7.12	7.05
Next	5.74	5.68	5.70	5.71
Orange	1.95	1.90	1.91	1.92
P&O	5.85	5.78	5.80	5.81
Pearson	7.37	7.25	7.30	7.32
Pilkington	1.59	1.56	1.58	1.59
PowerGen	5.80	5.67	5.75	5.67
Premier Farnell	7.45	7.36	7.38	7.46
Prudential	4.98	4.95	4.97	4.96
Railtrack PP	3.99	3.84	3.84	3.92
Rank Group	4.40	4.33	4.34	4.40
Reckitt Colm	7.13	7.01	7.05	7.12
Redland	3.61	3.43	3.45	3.58
Reed Intl	11.05	10.84	10.87	11.05
Rentokil Initial	4.30	4.25	4.27	4.28
Reuters Hdgs	7.52	7.28	7.32	7.49
Rexam	3.72	3.63	3.69	3.64
RMC Group	10	9.73	9.77	9.95
Rolls Royce	2.55	2.48	2.50	2.56
Royal Bk Scot	5.62	5.44	5.46	5.48
RTZ reg	9.44	9.22	9.27	9.44
Royal & Sun All	4.47	4.40	4.42	4.46
Safeway	3.98	3.95	3.97	3.98
Sainsbury	3.94	3.90	3.91	3.94
Schroders	15.27	15.11	15.22	15.20
Scot Newcastle	6.75	6.60	6.61	6.67
Scot Power	3.49	3.47	3.47	3.47
Securicor	2.81	2.76	2.78	2.77
Severn Trent	6.86	6.77	6.85	6.79
Shell Transp R	10.10	9.38	9.98	10.05
Siebe	10.87	10.48	10.64	10.84
Smith Nephew	1.83	1.81	1.81	1.84
SmithKline	7.96	7.82	7.85	7.96
Smiths Ind	8.22	8.15	8.17	8.20
Sthern Elec	7.93	7.85	7.90	7.85
Stagecoach	7.01	6.96	6.99	6.97
Stand Charter	7.12	7	7	7.06
Tate & Lyle	4.79	4.75	4.77	4.90
Tesco	3.52	3.44	3.46	3.51
Thames Water	6.10	6	6.04	6.10
3i Group	4.92	4.87	4.90	4.90
TI Group	5.78	5.72	5.76	5.80
Tomkins	2.71	2.65	2.70	2.66
Unilever	14.05	13.88	13.91	14.04
Utd Assurance	4.90	4.84	4.90	4.90
Utd News	6.90	6.82	6.85	6.89
Utd Utilities	6.39	6.20	6.28	6.19
Vendome Lx uts	5.30	5.28	5.30	5.28
Vodafone	2.50	2.46	2.48	2.52
Whitbread	7.77	7.66	7.70	7.75
Williams Hdgs	3.39	3.36	3.37	3.37
Wolseley	4.67	4.61	4.64	4.60
WPP Group	2.49	2.40	2.43	2.48
Zeneca	16.51	16.40	16.43	16.50

Madrid
Bolsa Index: 447.57 Previous: 445.39

	High	Low	Close	Prev.
Acerinox	19290	18500	18530	19000
ACESA	1800	1715	1735	1775
Aguas Barcelon	5630	5480	5520	5550
Argentaria	5850	5760	5810	5800
BBV	7130	7060	7110	6970
Banesto	1240	1155	1240	1080
Bankinter	20200	19550	19570	20200
Bco Centro Hisp	3350	3285	3305	3310
Bco Exterior	2800	2785	2785	2780
Bco Popular	25450	24610	24990	25370
Bco Santander	8380	8200	8270	8260
CEPSA	4000	3870	3980	3900
Continente	2660	2605	2620	2610
Corp Mapfre	7990	7690	7800	7840
Endesa	9290	9060	9070	9140
FECSA	1330	1245	1275	1290
Gas Natural	30700	29710	29870	30510
Iberdrola	1775	1660	1685	1750
Pryca	2805	2610	2635	2760
Repsol	5240	5120	5200	5060
Sevillana Elec	1395	1310	1330	1390
Tabacalera	6140	5990	6140	5840
Telefonica	3175	3090	3170	3055
Union Fenosa	1345	1240	1270	1325
Valenc Cement	1465	1415	1440	1445

Manila
PSE Index: 3195.47 Previous: 3186.37

	High	Low	Close	Prev.
Ayala B	29.50	29	29.50	29
Ayala Land	29.50	29	29.50	29
Bk Philip Isl	166	163	166	164
C&P Homes	15	14.75	15	14.75
Manila Elec A	129	127	127	128
Metro Bank	645	635	640	635
Petron	9.30	9.10	9.10	9.30
PCIBank	345	335	342.50	332.50
Phil Long Dist	1385	1365	1365	1390
San Miguel B	120	116	117	120
SM Prime Hdg	7	6.80	6.90	6.80

Mexico
Bolsa Index: 3516.13 Previous: 3492.17

	High	Low	Close	Prev.
Alfa A	38.40	37.90	38.00	37.90
Banacci B	17.16	16.88	16.88	17.08
Cemex CPO	30.00	29.50	29.60	29.60
Cifra C	9.98	9.82	9.94	9.90
Emp Modema	39.75	39.40	39.60	39.40
Gpo Carso A1	45.90	45.40	45.80	45.40
Gpo Fin Inbursa	28.70	28.00	28.00	28.30
Kimb Clark Mex	162.00	155.50	161.80	155.50
Televisa CPO	103.20	101.70	102.40	103.30
TelMex L	14.40	14.00	14.32	14.00

Milan
MIB Telematico: 10592.00 Previous: 10573.00

	High	Low	Close	Prev.
Alleanza Assic	10540	9910	10020	10280
Bca Comm Ital	2740	2660	2675	2710
Bca Fideuram	3295	3200	3260	3285
Bca di Roma	1207	1180	1189	1196
Benetton	18800	18455	18455	18845
Credito Italiano	1648	1627	1644	1635
Edison	9600	9375	9600	9405
ENI	8000	7935	8000	7880
Fiat	4410	4235	4250	4380
Generali Assic	28500	27450	27800	28300
IMI	13170	12920	13020	13045
INA	1960	1875	1889	1948
Italgas	6565	6410	6565	6400
Mediaset	7075	6905	6985	7030
Mediobanca	8175	7900	7910	8110
Montedison	1085	1073	1084	1063
Parmalat	2365	2325	2365	2340
Pirelli	2835	2800	2810	2835
RAS	13895	13585	13680	13770
Rolo Banca	14815	14300	14540	14700
S Paolo Torino	9400	9150	9220	9420
Stet	6635	6440	6550	6645
Telecom Italia	4080	3985	4000	4030
TIM	3945	3865	3900	3845

Montreal
Industrials Index: 2836.79 Previous: 2811.93

	High	Low	Close	Prev.
Bce Mob Com	41.80	41.70	41.80	41.45
Cdn Tire A	22.55	22¼	22.30	22.55
Cdn Util A	30.95	30.90	30.90	30.80
CT Finl Svc	31½	31	31	31
Gaz Metro	17⅛	17	17.20	17.20
Gt-West Lifeco	21⅛	21.10	21.10	21
Hees Intl Bcp	20.35	20⅛	20.30	20.40
Imasco	35¾	35	35.65	35
Investors Grp	26.60	26.60	26.60	26.60
Loblaw Cos	15½	15.30	15⅛	15.05
Natl Bk Canada	13.95	13.80	13.90	13.90
Power Corp	27½	27	27½	27.15
Power Finl	49	48⅝	49	48.80
Quebecor B	23⅛	22.80	23⅛	22.80
Rogers Comm B	10⅛	10⅛	10⅛	10.40
Royal Bk Cda	49.10	48.40	49.10	48.80

Oslo
OBX Index: 552.53 Previous: 552.40

	High	Low	Close	Prev.
Aker A	147	143	145	146.50
Bergesen Dy A	151.50	148	149	151.50
Christiania Bk	22.30	21.70	22	21.80
Den norske Bk	26.30	25.80	26.10	25.90
Elkem	113	109	112	113.50
Hafslund A	49	48.20	48.20	48.50
Kvaerner Asa	320	314	318	317
Norsk Hydro	355	350	351.50	353
Norske Skog A	214	208	214	212
Nycomed A	108	105	105.50	107.50
Orkla Asa A	465	457	461	464
Petlm GeoSvc	268	263	267	263.50
Saga Petlm A	117	113.50	117	114
Schibsted	117	115.50	117	115
Transocean Off	435	415	415	410
Storebrand Asa	37.50	36.90	37.50	37.30

Paris
CAC-40: 2301.69 Previous: 2306.67

	High	Low	Close	Prev.
Accor	652	641	642	644
AGF	168.60	163	165	167.70
Air Liquide	813	802	806	807
Alcatel Alsth	417.80	413.10	414.80	416
Axa	339.40	333.20	338.50	333.50
Bancaire	617	602	610	612
BIC	787	773	787	778
BNP	201.40	198.70	199.30	200.20
Canal Plus	1144	1129	1131	1138
Carrefour	3359	3306	3333	3352
Casino	244.50	242.60	243.50	244
CCF	235	231.60	233.90	234.30
Cetelem	616	606	611	619
Christian Dior	847	833	833	842
CLF-Dexia Fran	458	454.20	456.50	458.40
Credit Agricole	1300	1300	1300	1285
Danone	725	715	717	725
Elf-Aquitaine	478.70	475.20	476.70	477.70
Eridania BS	849	841	843	847
Gen. Eaux	683	662	672	661
Havas	357.30	351.10	352.10	357.50
Imetal	794	770	784	776
Lafarge	316.80	312.20	313.30	315.90
Legrand	890	880	890	890
L'Oreal	1920	1860	1916	1882
LVMH	1443	1415	1416	1444
Lyon. Eaux	492	479	485	479.70
Michelin B	282	277.10	280.60	279.60
Paribas A	341.40	337.20	338	341.20
Pernod Ricard	296.70	291.10	293.20	292
Peugeot Cit	572	560	565	570
Pinault-Print	2094	2033	2072	2032
Promodes	1435	1406	1406	1435
Renault	110	106.60	108.40	107.40
Rexel	1579	1543	1560	1558
Rh-Poulenc A	171.50	167.50	169.90	171.40
Roussel-Uclaf	1528	1527	1527	1527
Sanofi	538	525	526	535
Schneider	244	239.10	242.70	240.90
SEB	1195	1106	1141	1115
SGS Thomson	381.90	373.60	377.20	375
Ste Generale	545	538	541	547
Sodexho	2800	2746	2750	2784
St Gobain	740	730	733	741
Suez	220.50	219.50	220	221.30
Synthelabo	590	579	590	582
Thomson CSF	175	171.20	173	169.20
Total B	420.10	416.70	417.30	422
UAP	133.80	131.20	133.50	131.90
Usinor	78.90	77.20	78.10	78.80
Valeo	336.80	329.50	336.50	332

São Paulo
Bovespa Index: 72974.60 Previous: 71595.10

	High	Low	Close	Prev.
Bradesco Pfd	8.050	7.710	8.00	7.70
Brahma Pfd	570.00	565.00	568.00	567.00
Cemig Pfd	38.90	36.00	38.80	36.010
CESP Pfd	46.29	43.00	45.00	42.95
Copel	11.70	11.40	11.650	11.40
Eletrobras	383.00	376.00	380.00	379.00
Itaubanco Pfd	435.00	420.01	433.00	425.00
Light Servicios	370.00	360.00	367.00	368.00
Lightpar	256.00	251.990	254.00	251.00
Petrobras Pfd	183.01	175.01	180.00	175.01
Telebras Pfd	83.00	81.20	82.80	80.95
Telemig	142.00	129.01	138.99	129.00
Telerj	137.00	133.00	136.01	132.89
Telesp Pfd	242.00	230.00	235.00	228.00
Unibanco	39.70	36.20	38.37	36.20
CVRD Pfd	22.00	21.00	21.80	20.80

Seoul
Composite Index: 611.85 Previous: 626.87

	High	Low	Close	Prev.
Daewoo Heavy	5100	4900	4900	5100
Hyundai Eng	22200	20800	21100	21900
Hyundai Motor	20900	20000	20000	20000
Korea El Pwr	26100	25400	25900	26000
Korea Mob Tel	439000	420000	422000	439000
LG Electronics	10200	9900	9900	10100
Pohang Iron St	37300	36500	37000	37000
Samsung Elec	40900	39000	39300	40000
Samsung Hvy	8200	7820	8050	8000
Yukong	16400	15900	16000	16000

Singapore
Straits Times: 2246.59 Previous: 2245.72

	High	Low	Close	Prev.
Cerebos Pac	10.90	10.70	10.90	10.80
City Devits	13	12.80	12.80	13
Cycle Carriage	18.10	17.40	17.50	17.90
Dairy Farm Int *	0.85	0.83	0.84	0.83
DBS	9.05	9	9	9
DBS Land	5.25	5.15	5.20	5.30
Fraser & Neave	14.50	14.20	14.30	14.50
HK Land *	2.93	2.87	2.93	2.87
Hong Leong Fin	N.T.	N.T.	N.T.	3.28
Jard Mathesn *	6.75	6.65	6.65	6.70
Jard Strategic *	3.78	3.74	3.76	3.76
Keppel	11.20	10.90	11.10	11.10
Natsteel	3.34	3.24	3.34	3.24
Neptune Orient	1.25	1.22	1.24	1.21
OCBC foreign	18	17.70	17.80	17.90
O'Sea Union Bk	6.45	6.40	6.45	6.45
Sembawang	8	7.80	8	7.80
Sing Airlines F	13.30	12.90	13	12.80
Sing Petlm	1.80	1.80	1.80	1.80
Sing Press F	29.10	28.60	28.70	28.40
ST Auto F	3.20	3.12	3.20	3.14
ST Ship	1.89	1.87	1.88	1.88
Sing Telecomm	3.34	3.30	3.32	3.32
Straits Steam	4.64	4.48	4.58	4.46
Utd Industrial	1.25	1.19	1.19	1.20
Utd O'Sea Bk F	16.40	16.10	16.40	16.10
Wing Tai Hdgs	4.02	3.98	3.98	3.96

*: in U.S. dollars.

Stockholm
SX 16 Index: 2520.85 Previous: 2522.44

	High	Low	Close	Prev.
AGA BF	102.50	101.50	102	102.50
ABB AF	789	780	789	774
AssiDoman F	188	185	187.50	187
Astra AF	339	335.50	336	337
Atlas Copco AF	165	163	163.50	162.50
Avesta F	76.50	74.50	76.50	74.50
Electrolux BF	394	385	388.50	393.50
Ericsson BF	212	208	208	211
Hennes BF	1005	944	991	982
Incentive AF	500	493	499	494
Investor BF	303.50	300	301.50	299.50
Kinnevik BF	188	185	185	186
MoDo BF	202	197	199	196.50
Pharm/Upjohn	274.50	271	271	273
Sandvik BF	190	185.50	188.50	184
SCA BF	144.50	141	142.50	139.50
S-E Banken AF	71.50	70	70.50	70.50
Skandia Fors F	192	189.50	189.50	189.50
Skanska BF	298.50	295	297	295.50
SKF BF	162.50	158	161.50	158
SSAB BF	119	116.50	118.50	116.50
Stora AF	97	95	96	95
Sv Handles AF	197	194.50	196.50	196
Sydkraft AF	150	145	150	150
Trelleborg BF	96	93.50	94.50	94
Volvo BF	153.50	150.50	152.50	150.50

Sydney
All Ordinaries: 2400.70 Previous: 2409.80

	High	Low	Close	Prev.
Amcor	8.06	7.94	7.99	8.06
ANZ Bking	8.06	8.03	8.04	8.05
BHP	17.90	17.80	17.82	17.94
Boral	3.53	3.47	3.53	3.54
Brambles Ind.	24	23.65	23.90	24.20
Burns Philip	2.39	2.34	2.34	2.35
CBA	12.06	12.03	12.08	12.06
CC Amatil	13.20	13.03	13.20	13
Coles Myer	5.11	5.06	5.07	5.12
Comalco	6.51	6.43	6.43	6.60
CRA Ltd	19.57	19.35	19.41	19.55
CSR	4.36	4.30	4.33	4.34
Fosters Brew	2.52	2.50	2.51	2.53
GIO Australia	3.18	3.14	3.17	3.17
Goodman Fld	1.58	1.56	1.58	1.56
ICI Australia	12.70	12.65	12.70	12.75
John Fairfax	2.82	2.79	2.80	2.82
Lend Lease	24.60	24.15	24.30	24.55
Mayne Nickless	8.43	8.30	8.32	8.46
MIM Hdgs	1.78	1.75	1.77	1.76
Nat Aust Bank	14.80	14.74	14.76	14.80
News Corp	6.70	6.65	6.70	6.65
North Ltd	3.60	3.55	3.60	3.62
Pacific Dunlop	3.06	3	3.04	3.09
Pioneer Intl	3.64	3.58	3.58	3.65
Placer Pacific	1.73	1.68	1.68	1.73
Santos	5.07	5	5.02	5.06
Southcorp	3.92	3.86	3.89	3.92
Wesfarmers	8.70	8.65	8.69	8.70
Wmc Mining	7.77	7.70	7.76	7.72
Westfield Trt	2.41	2.37	2.37	2.40
Westpac Bking	7.18	7.15	7.18	7.16
Woodside Pet	9.55	9.40	9.52	9.40
Woolworths	3.07	3.01	3.06	3.05

Taipei
Stock Market Index: 6875.02 Previous: 6844.75

	High	Low	Close	Prev.
Asia Cement	50.50	50	50	50
Cathay Life Ins	173	172	172	172
Chang Hwa Bk	156	154	156	154
China Steel	25.40	25.20	25.30	25.30
China Trust	52	51	51.50	51.50
Evergreen	54	53	53	53
Far East Text	27.90	27.70	27.70	27.70
First Bank	166	164	164	164
Formosa CF	42	41.50	41.50	42
Hua Nan Bk	128.50	127	127.50	127
Hualon Teijron	24.80	24.20	24.50	24.30
ICBC	83	82	82	82
President Ent	44.30	43.40	43.40	43.80
Taiwan Cem	59.50	58.50	59	59
Tatung	53	52.50	52.50	53

Tokyo
Nikkei 225: 18896.19 Previous: 19446.00

	High	Low	Close	Prev.
Ajinomoto	1170	1100	1100	1160
All Nippon Air	873	860	860	873
Asahi Bank	1000	920	920	1020
Asahi Chem	674	647	647	664
Asahi Glass	1080	1060	1060	1080
Bk Tokyo Mitsu	2170	2130	2130	2170
Bk Yokohama	773	735	735	769
Bridgestone	2260	2220	2220	2240
Canon	2600	2540	2540	2590
Chiba Bank	835	798	799	810
Chubu Elec	2330	2310	2310	2320
Chugoku Elec	2300	2270	2270	2290
Daiei	875	860	863	871
Daiichi Kang	1670	1640	1640	1680
Daiwa Bank	621	610	614	614
Daiwa House	1500	1460	1460	1500
Daiwa Sec	1020	955	955	1030
Denso	2810	2670	2670	2810
Fanuc	3790	3720	3740	3700
Fuji Bank	1710	1670	1670	1710
Fuji Photo	3890	3740	3800	3840
Fujitsu	1120	1100	1110	1100
Hitachi	1110	1090	1090	1110
Honda Motor	3370	3280	3280	3340
IBJ	2010	1980	1990	2020
IHI	505	495	497	513
Itochu	635	618	618	628
Ito-Yokado	5250	5080	5120	5200
JAL	627	610	610	636
Jusco	3980	3940	3940	3930
Kajima	802	770	771	811
Kansai Elec	2390	2360	2360	2370
Kao	1330	1320	1330	1330
Kawa Steel	325	311	314	325
KDD	7830	7710	7710	7850
Kinki Nipp Ry	728	718	720	724
Kirin Brewery	1170	1130	1140	1170
Kobe Steel	243	230	233	245
Komatsu	943	905	911	943
Kubota	574	535	535	566
Kyocera	7460	7370	7410	7460
Kyushu Elec	2290	2260	2260	2290
LTCB	629	612	612	625
Marubeni	502	495	495	500
Marui	2050	2000	2010	2040
Matsu Elec Ind	1920	1880	1880	1900
Matsu Elec Wk	1000	991	994	994
Mitsubishi	1200	1160	1160	1190
Mitsubishi Ch	384	370	375	376
Mitsubishi El	694	680	690	690
Mitsubishi Est	1220	1200	1210	1190
Mitsubishi Hvy	936	916	920	938
Mitsubishi Mat	852	845	846	850
Mitsubishi Tr	1580	1540	1540	1570
Mitsui	943	931	936	946
Mitsui Fudosn	1140	1100	1100	1150
Mitsui Trust	895	870	870	885
Murata Mfg	3880	3830	3830	3840
NEC	1480	1460	1460	1460
Nikko Sec	848	800	803	852
Nintendo	8350	8200	8200	8300
Nipp Credit Bk	303	298	298	304
Nipp Express	801	768	776	801
Nippon Oil	602	585	586	599
Nippon Paper	575	540	540	572
Nippon Steel	337	330	333	334
Nippon Yusen	522	513	514	527
Nissan Motor	703	688	690	696
NKK	268	261	262	265
Nomura Sec	1690	1580	1580	1690
NTT	9140a	8980a	8980a	9080a
Obayashi	780	754	754	777
Odakyu El Ry	704	680	680	694
Ono Pharm	3520	3470	3500	3510
Osaka Gas	318	313	314	318
Ricoh	1370	1330	1340	1360
Sakura Bk	848	812	813	843
Sankyo	3350	3240	3240	3330
Sanwa Bank	1570	1540	1540	1590
Sanyo Elec	473	463	464	476
Secom	7000	6860	6880	7000
Seibu Rwy	4550	4350	4350	4480
Sekisui House	1220	1200	1200	1220
Seven-Eleven	6840	6770	6800	6830
Sharp	1700	1670	1680	1670
Shimizu	852	794	797	852
Shin-etsu Ch	2130	2100	2110	2120
Shizuoka Bk	1230	1190	1190	1240
Sony	7750	7640	7640	7700
Sumitomo	945	915	915	958
Sumitomo Bk	1720	1670	1680	1730
Sumit Chem	454	444	445	457
Sumitomo Elec	1650	1620	1630	1630
Sumit Metal	293	285	288	295
Sumit Trust	1170	1120	1120	1170
Taisei	597	582	585	601
Taisho Pharm	2720	2660	2670	2680
Takeda Chem	2460	2400	2410	2450
TDK	7700	7540	7590	7620
Tohoku El Pwr	2350	2310	2310	2330
Tokai Bank	1200	1170	1170	1200
Tokio Marine	1070	1050	1050	1060
Tokyo El Pwr	2530	2450	2450	2530
Tokyo Gas	318	312	313	318
Tokyu	651	630	630	651
Tonen	1400	1350	1350	1410
Toppan Print	1460	1430	1440	1460
Toray Ind	747	734	741	740
Toshiba	746	726	727	746
Toyo Seikan	2880	2790	2800	2880
Toyo Trust	924	915	915	915
Toyota Motor	3340	3270	3280	3350
Yamaichi Sec	525	496	510	524
Yamanouchi	2410	2320	2330	2420
Yasuda Fire	625	592	592	622
Yasuda Trust	490	478	478	486

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Toronto
TSE Industrials: 5946.87 Previous: 5920.71

	High	Low	Close	Prev.
Abitibi Price	23.15	22.70	23.15	22.90
Alberta Energy	31.95	30⅞	31.95	31½
Alcan Alum	48.70	47.95	48.65	48¼
Anderson Expl	17.95	17.35	17.80	17½
Bk Montreal	43.95	43.05	43.95	43.40
Bk Nova Scotia	46.05	44.90	45.95	45.90
Barrick Gold	36.80	36.35	36.55	36.15
BCE	65.55	65.15	65.40	65.60
BC Telecomm	30	29¾	29.90	29.85
Biochem Pharm	67½	67.05	67¼	70.40
Bombardier B	26.35	25¾	26.15	25.40
Brascan A	30.60	30.30	30.60	30.55
Bre-x Minerals	21.90	21.20	21¼	21.85
Cameco	55½	55	55½	55
CIBC	59.20	58.05	59.05	59.40
Cdn Natl Rail	51½	50¾	51.20	51.40
Cdn Nat Res	37¼	36.80	37.05	36¾
Cdn Occid Pet	22.20	21.90	22	22.10
Cdn Pacific	36.20	35½	36.20	35¾
Cominco	34.70	34.30	34.70	34.65
Dofasco	26.45	26¼	26.35	26.40
Domtar	12.65	12.40	12.55	12½
Donohue A	25.70	24½	25.70	25½
Du Pont Cda A	31.65	31¼	31½	31¾
EuroNev Mng	37¼	37	37.20	37½
Fairfax Finl	300	292	300	297
Falconbridge	29½	29.15	29½	29.30
Fletcher Chall A	22.35	21.85	22.35	22
Franco Nevada	59.40	58.20	58.45	58½
Gulf Cda Res	10.35	10.20	10.30	10.30
Imperial Oil	63.20	62.60	63	62.55
Inco	44.65	44.10	44.40	44.40
IPL Energy	39.95	39¼	39.95	39.65
Laidlaw B	18	17.20	18	16.20
Loewen Group	56	55.15	55.70	56
Macmill Bld	19.10	18.80	19	19
Magna Intl A	76¼	75¼	75¼	75.70
Methanex	13.10	12¾	13.10	13
Moore	27.55	27¼	27.45	27.45
Newbridge Net	38.60	37.85	38.55	38¾
Noranda Inc	31.15	30¾	31.15	30.85
Norcen Energy	30.30	30.05	30.30	30.30
Nthern Telecom	88.30	85.85	88¼	87.60
Nova	12.60	12.40	12.60	12½
Onex	20	19.60	20	19.60
Pancdn Petlm	54	53¼	53¾	54
Petro Cda	20.30	20.10	20.30	20.20
Placer Dome	27.90	27½	27.60	27½
Poco Petlm	12.95	12.80	12.95	12.90
Potash Sask	119½	118	118.95	120½
Renaissance	47.70	46.40	47.70	46.60
Rio Algom	31.20	30	31.15	30.35
Rogers Cantel B	27.80	27.40	27¾	27.55
Seagram Co	55	53.90	55	54.80
Shell Cda A	52.40	51¾	51.95	52.20
Stone Consold	21	20½	20.95	20½
Suncor	56	55	55¼	55.40
Talisman Eny	47.10	46½	47.10	46.80
Teck B	31	30.10	31	30.90
Teleglobe	40½	40.05	40½	40.40
Telus	20.30	20.10	20.20	20.20
Thomson	30.10	29.60	29.90	30.10
TorDom Bank	35	34½	34.95	34.95
Transalta	17.10	16.90	17.10	17.10
TransCda Pipe	23.65	23.10	23.60	23¼
Trimark Finl	41½	41.10	41.35	41
Trizec Hahn	29½	29.15	29.15	29½
TVX Gold	10	9.70	9.70	9¾
Westcoast Eny	23¼	22.95	23.15	23.05
Weston	70	68½	69½	69

Vienna
ATX Index: 1137.09 Previous: 1139.62

	High	Low	Close	Prev.
Aust Airlines	1540	1540	1500	1500
Brau-Un Goess	694	680.50	694	685
Bund Vers Pfd	382	382	490	490
Creditanst Pfd	499	487.10	493	497.50
EA-Generali	3240	3130	3140	3190
EVN	1642	1629	1642	1632.10
Interunfall	1490	1490	1475	1475
Lenzing	680	672	672	680
Leykam	281	276	276	279
Mayr-Melnhof	547.70	541	547.70	543
OMV	1215	1183.90	1187.50	1208.10
Oest Brau	745	735	740	735
Oest Elektriz	816	810	813	817.60
VA Tech	1701	1688.05	1694	1689.95
Wienerberger	2108	2092	2097.50	2108

Wellington
NZSE-40 Index: 2408.28 Previous: 2397.28

	High	Low	Close	Prev.
Air N Zeald B	2.80	2.73	2.80	2.73
Brierly Invt	1.34	1.33	1.34	1.34
Carter Holt ord	3.40	3.31	3.40	3.30
Fernz	4.95	4.88	4.90	4.95
Fisher Paykel	5.70	5.65	5.70	5.65
FC Forest	2.38	2.36	2.38	2.37
Goodman Fder	1.76	1.74	1.74	1.76
Indep News	7.00	6.95	6.95	7.06
Lion Nathan	3.50	3.45	3.50	3.45
Nat Gas note	2.30	2.28	2.28	2.28
NZ Refining	28.75	28.75	28.75	28.50
Telecom NZ	7.42	7.36	7.41	7.39
Wilson Horton	11.70	11.70	11.70	11.70

Zurich
SPI Index: 2510.80 Previous: 2506.22

	High	Low	Close	Prev.
Adecco B	356.50	343	356	345.50
Alusuisse R	1128	1119	1127	1130
Ares-Serono B	1325	1305	1305	1320
Baloise Hdg R	2660	2600	2645	2665
ABB B	1671	1652	1655	1660
BK Vision	730	716	726	723
Bobst B	1885	1840	1861	1855
Cs group n	133.75	132.25	133.75	133.75
Elektrowatt B	536	534	535	536
Fischer B	1424	1407	1416	1410
Hilti PC	873	850	869	850
Holderbank B	980	960	973	970
Jul. Baer Hdg B	1424	1405	1422	1408
Nestle R	1438	1422	1432	1421
Novartis R	1528	1507	1522	1525
Oerlikon R	138.50	136.75	137.50	136
Pargesa Hld B	1490	1461	1461	1480
PharmVisn B	610	602	610	608
Pirelli B	184	179.50	182.50	184
Roche Hdg PC	10540	10450	10490	10500
SBC R	253	249	250.50	253
Schindler B	1445	1431	1445	1439
SGS B	3465	3420	3445	3450
SMH B	885	870	876	880
Sulzer R	825	813	825	822
Swiss Reins R	1408	1393	1393	1406
Swissair R	1149	1126	1130	1153
UBS B	1160	1135	1158	1149
Valora Hdg R	252	250	252	251
Winterthur R	771	767	767	773
Zurich Assur R	365.50	361.50	364.50	363.50

The Trib Index

Closing prices

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	149.81	+0.23	+0.15	+13.60
Regional Indexes				
Asia/Pacific	122.65	-1.45	-1.17	-8.65
Europe	158.69	-0.29	-0.18	+14.02
N. America	165.84	+1.93	+1.18	+29.28
S. America	120.16	+2.33	+1.98	+34.95
Industrial Indexes				
Capital goods	173.80	+1.07	+0.62	+30.79
Consumer goods	162.43	+0.27	+0.17	+17.64
Energy	171.94	+1.24	+0.73	+26.78
Finance	115.36	-0.83	-0.71	-9.33
Miscellaneous	162.03	+2.14	+1.34	+19.31
Raw Materials	175.98	+0.27	+0.15	+24.10
Service	137.53	+0.92	+0.67	+14.61
Utilities	142.67	-1.00	-0.70	+12.21

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Compiled by Bloomberg Business News.

NYSE

Tuesday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 17

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Reductions
In Spending

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ASIA/PACIFIC

Thailand Plans Sharp Reductions In Spending

Compiled by Our Staff From Dispatches

BANGKOK — Hoping to restore confidence in the economy, Thailand's Finance Ministry said Tuesday it planned to reduce government spending by 100 billion baht ($3.90 billion) over the next two years.

The ministry said the cuts would be made by delaying implementation of projects not deemed to have overriding importance to economic development. Projects that would incur large foreign debts also are likely to be delayed.

The decade-long economic boom that made Thailand a manufacturing powerhouse in Southeast Asia faltered in 1996. Exports were flat for the year, compared with growth of 24 percent the year before. The stock market lost 35 percent of its value.

Tuesday's announcement helped the main Bangkok stock index rise about 4 percent, to 820.11 points.

The central bank says the economy grew by 6.7 percent in 1996 — high by the standards of most countries, but the lowest rate for Thailand in a decade. The current-account deficit, the broadest measure of trade, reached 8.2 percent of gross domestic product, one of the highest rates in the world.

Finance Minister Amnuay Viravan said the government could cut spending by at least 5.1 percent "without any slowing of the economy."

The Finance Ministry has asked government bodies and state enterprises to list projects that they would be able to delay or scrap. Officials said military spending also would be cut, but they did not give details.

(AP, Bloomberg)

Toyota Flexes its Muscles at Home

By Donald MacIntyre
Bloomberg Business News

TOKYO — At Tokyo Toyopet, the pressure is on. The dealer, one of Toyota Motor Corp.'s largest, has marked down the 1996 Crown 3000 Royal Salon G by 13 percent.

"We're trying to hit our own sales target," Mario Sasakura, a Toyopet spokesman, said of the dealership's effort to increase sales by 5 percent. "We have a big target."

That is not the only target on the minds of managers at Tokyo Toyopet, one cog in Toyota's renowned sales machine. Japan's largest and best-known automaker was jolted last year when its share of the Japanese car and truck market slipped below 40 percent for first time in almost 15 years.

Now, Toyota is determined to win back lost ground. From factory floors to dealer showrooms, the world's No. 3 automaker is pulling out the stops, and investors are responding. Toyota's shares hit an all-time high of 3,350 yen ($28.72) on Monday, and although they slipped back to 3,280 yen on Tuesday, they are still up almost 50 percent year-on-year.

Toyota plans to roll out new models at the rate of almost one a month this year. The company is sharpening marketing skills and spending more on advertising. It is cutting costs quickly — by about 100 billion yen a year at the operating level — and is passing some of the savings on to customers.

That is bad news for competitors, both at home and abroad.

"Toyota can't flex its muscles overseas without a stable home base" said Susumu Uchikawa, who heads domestic sales for the company.

The man behind the message is Toyota's president, Hiroshi Okuda, who 18 months ago became only the company's second president tapped from outside the founding Toyoda family. Known for his blunt style, Mr. Okuda is trying to energize a company that seemed asleep at the wheel in the early 1990s, when it watched its lead over the rest of the pack shrink.

Mr. Okuda is beefing up Toyota's line of sport-utility vehicles, minivans and station wagons, the one part of the domestic market where sales are booming. While Toyota got off to a slow start in this market, it has caught up with popular new models like the RAV4, the company's first big hit in the sport-utility market, and the Ipsum minivan.

Toyota produced 11 new or fully remodeled vehicles last year. This year, Mr. Uchikawa said, the company plans between 10 and 14 new models.

"Toyota is on a new-model launch blitzkrieg," said Chris Redl, an analyst at ING Barings Securities (Japan) Ltd.

The RAV4, Toyota's first big hit in the sport-utility market.

Mr. Okuda recently disclosed plans to pump $5 billion into sprucing up dealerships in Japan.

Things are changing on the shop floor, as well. At Toyota's newest assembly line, inside the Motomachi plant in western Japan, the automaker continues to rejigger its production system.

That has helped save at least 130 billion yen each year at the operating level for the past three years, Toyota says. That has provided additional money for research and development, marketing and discounting.

What is more, the weakening yen will add 160 billion yen to Toyota's coffers in the year through March, according to Kauru Kurata, an analyst at Goldman, Sachs (Japan) Ltd.

Toyota has already doubled advertising spending from in the past two years.

"The other makers are so scared of Toyota's financial power," Mr. Kurata said.

Toyota's push is coming at a hard time for Japanese carmakers. Japanese consumers have been holding on to their cars longer, stretching out the so-called replacement cycle automakers depend on for sales.

Mitsubishi Motors Corp.'s president, Takemune Kimura, predicts total vehicle sales in Japan at 7 million units this year, virtually unchanged from last year.

Yet most of Japan's carmakers see their own sales rising. Toyota sees a 4 percent jump. Honda Motor Co. and Mitsubishi are targeting 5 percent, while Nissan Motor Co. sees a 4 percent increase. Even struggling Mazda is aiming high, predicting an 8 percent jump in sales.

Some companies will be disappointed.

Analysts say Mazda is the likeliest loser. The company is struggling to remake itself with help from Ford Motor Co., which now effectively controls Mazda.

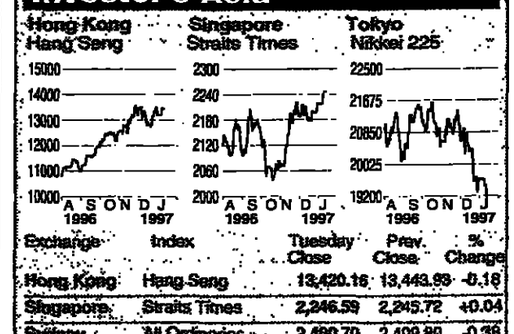
Mazda's shares have been hurt by concern it will not be able to counter Toyota's onslaught of new models. Stock in Mazda fell 32 yen Monday, to 373; the shares have fallen 20 percent in the past 12 months. Analysts say Mazda will turn out just two or three new or rejiggered models next year.

Nissan, Japan's No. 2 carmaker, also will have trouble matching Mazda's pace, analysts said. While Nissan has big plans for 1997 — eight new or fully remodeled vehicles — it was badly short of new models this year.

That leaves Honda, the hottest car company in Japan right now. Honda has snatched customers from Toyota with a string of trendy sport-utility vehicles and minivans.

Analysts say Honda should be able to hold its own, so other automakers will end up taking the brunt of the attack. Japan has 11 automakers, and the smaller ones could get swallowed up if the market gets any rougher.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,420.16	13,443.93	-0.18
Singapore	Straits Times	2,246.59	2,245.72	+0.04
Sydney	All Ordinaries	2,400.70	2,409.88	-0.38
Tokyo	Nikkei 225	18,896.19	19,446.00	-2.83
Kuala Lumpur	Composite	1,237.58	1,233.12	+0.36
Bangkok	SET	820.11	790.23	+3.78
Seoul	Composite Index	611.05	626.87	-2.52
Taipei	Stock Market Index	6,875.02	6,844.75	+0.44
Manila	PSE	3,195.47	3,186.37	+0.29
Jakarta	Composite Index	668.37	663.96	+0.66
Wellington	NZSE-40	2,400.28	2,397.28	+0.46
Bombay	Sensitive Index	3,264.12	3,252.31	+0.36

Source: Telekurs International Herald Tribune

Very briefly:

- **Microsoft Corp.** launched a Chinese version of its Windows NT 4.0 software, saying that China's computer market offered great potential despite widespread copyright piracy.
- **Asia** is home to the world's most expensive office space, with **Tokyo, Hong Kong** and **Singapore** topping the list, according to a survey by a Singapore consulting firm.
- **Singapore Airlines Ltd.** may spin off subsidiaries such as its regional carrier, **SilkAir**, to lift its stock price, the company's deputy chairman said.
- **Tenaga Nasional Bhd.**, Malaysia's largest power utility, will sell $1 billion worth of bonds in the next three months to finance an expansion plan.
- **Mitsubishi Electric Corp.** will double its monthly production of higher capacity computer chips to 2 million units by the end of 1997 to meet rising U.S. demand.
- **Japan's Fair Trade Commission** may allow certain mergers to be done without its approval, paving the way for new tie-ups and strengthening the competitiveness of Japanese corporations.

Reuters, Bloomberg, AP

WEB: *Publishers Are Wondering Just How They Should Exploit It*

Continued from Page 11

are put out by small staffs who often are physically separated from the print newsroom. As a result, few newspapers are eager to divert too much of their scarce newsroom resources to enhance a fledgling electronic publication.

"To turn ourselves into a continuous news operation is a worthy thing to do if the Internet ever takes off," said Joseph Lelyveld, executive editor of The New York Times Co. "The problem is that usage is still at a low level that doesn't quite justify it."

Like other newspapers, The Times uses articles from news agencies to update its Web site throughout the day, until staff-written news articles are available after the paper is published.

The site also supplements the newspaper's articles with discussion forums and original technology coverage produced by freelance writers.

The Wall Street Journal, which is owned by Dow Jones & Co. and has one of the few newspaper Web sites that charges a subscription fee, has gone further than most newspapers in terms of integrating its on-line publication with the newspaper. Earlier this year, the paper ripped up its newsroom and placed the editors of its Web site next to its national desk.

Other on-line publications also are beginning to move in that direction. The San Jose Mercury News Web site focuses a lot of attention on technology news because of the paper's presence in Silicon Valley.

Since many readers of The Mercury News in the computer industry are reading the on-line publication rather than the actual newspaper, the technology reporters of The Mercury News have been more willing to file breaking news reports to the Internet.

In one recent case, the newspaper itself reversed course and published an article about the opening night of a women's technology conference that it had earlier rejected, after the reporter wrote it for the on-line publication and the publisher saw it.

"Basically, reporters don't have to do anything for Mercury Center if they don't want to," said Janet Rae-Dupree, the reporter who wrote the article. "But if you have time to work with them, your story can have a bigger impact because people all over the country can read it."

As the Internet continues its rapid expansion, the pressure on print reporters to write early versions of their articles for the Internet is likely to grow.

New channels of news designed explicitly for the Internet, such as MSNBC, the joint venture between Microsoft Corp. and NBC News, which in turn is owned by General Electric Co.; CNN's Web site; and CNET, a fast-growing Internet programmer, are emphasizing original, breaking news.

America Online, Yahoo Inc. and others also are rolling out new services that pose a potentially serious threat to the newspaper industry's single most lucrative source of revenue: classified advertising.

A recent study by Forrester Research, a consultant in Cambridge, Massachusetts, predicted that newspapers would lose as much as 14 percent of their circulation to electronic publications by 2001.

On the other hand, several studies also show that the Internet is cutting into television viewing time, giving newspapers an opportunity to win back some of the readers they have lost to television over the past 30 years.

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Lingering Concern Over Bad Loans Hits Tokyo Stocks

Bloomberg Business News

TOKYO — Japanese stocks plunged to a 13-month low Tuesday, led by bank and brokerage shares, amid concern their profits will be squeezed by bad loans and deregulation measures.

The Nikkei stock average fell 549.81 points, or about 3 percent, to 18,896.19.

Analysts predict slow growth for Japan this year because the government has pledged to cut spending and raise taxes. They also fear the planned deregulation of the financial sector will cause a shakeout among banking companies.

Asahi Bank Ltd. was the biggest loser, declining 100 yen (86 cents), to 920. The Nihon Keizai Shimbun reported that Asahi would package 10 billion yen to 15 billion yen in bad loans as securities, which will be sold by the end of March.

The Nikkei's decline rekindled concern about whether lenders would be able to meet their schedule to write off unrecoverable loans this year. Many financial institutions have used profits from stock investment sales to finance such write-offs.

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Tender Notices

SONGO SONGO GAS TO ELECTRICITY PROJECT

Provision of Telecommunication Services (Contract No. J494-105)

Invitation for Prequalification

1) Songas, a Tanzanian Company whose principal shareholders will be OTC (Ocelot Tanzania Inc. and TCPL Tanzania Inc.), TANESCO (Tanzania Electric Supply Company), TPDC (Tanzania Petroleum Development Corporation) and various multilateral funding agencies intends to pre-qualify contractors to provide telecommunication services for the Songo Songo Gas to Electricity Project on a turnkey basis. OTC, assisted by Teleconsult, is acting as Project Manager for this work on behalf of Songas.

2) The Project involves the transportation of processed natural gas from a gas field, in the vicinity of Songo Songo Island, to the city of Dar es Salaam, some 230 km north of the island for power generation and other industrial applications.

3) Telecommunication services required include the provision of mobile radio coverage along the pipeline right of way, voice, data and facsimile communications between the gas processing plant on Songo Songo Island, the power generation plant at Ubungo near Dar es Salaam and Songas head office in Dar es Salaam. The proposed system may be a terrestrial radio system, a satellite based system or a combination of terrestrial and satellite facilities. Significant current and international experience with microwave and satellite systems is a minimum requirement for prequalification.

4) Copies of the Prequalification Requirements document will be available to interested companies on or about January 10, 1997 and will be forwarded on receipt of a written request (mail, courier, fax or E-mail) at the following address:

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Fax: 604-687-7299
Internet: gsendenberg@teleconsult.com

Attention: Mr. G. van den Berg

5) Applications must be clearly marked Prequalification for Provision of Radio System, System Integration, and Telecommunication Services (Contract No. J494-105) and shall be received at the above address no later than 15.00 hours local time on February 7, 1997.

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AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; DKr - Danish Krones; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Polish Marks; FL - Dutch Florins; IKR - Independent Republic; Lit - Italian lire; LF - Luxembourg Francs; p-pence; NYR - Malaysian Ringgit; Pts - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Krones; THB - Thai Baht; Y - Yen;

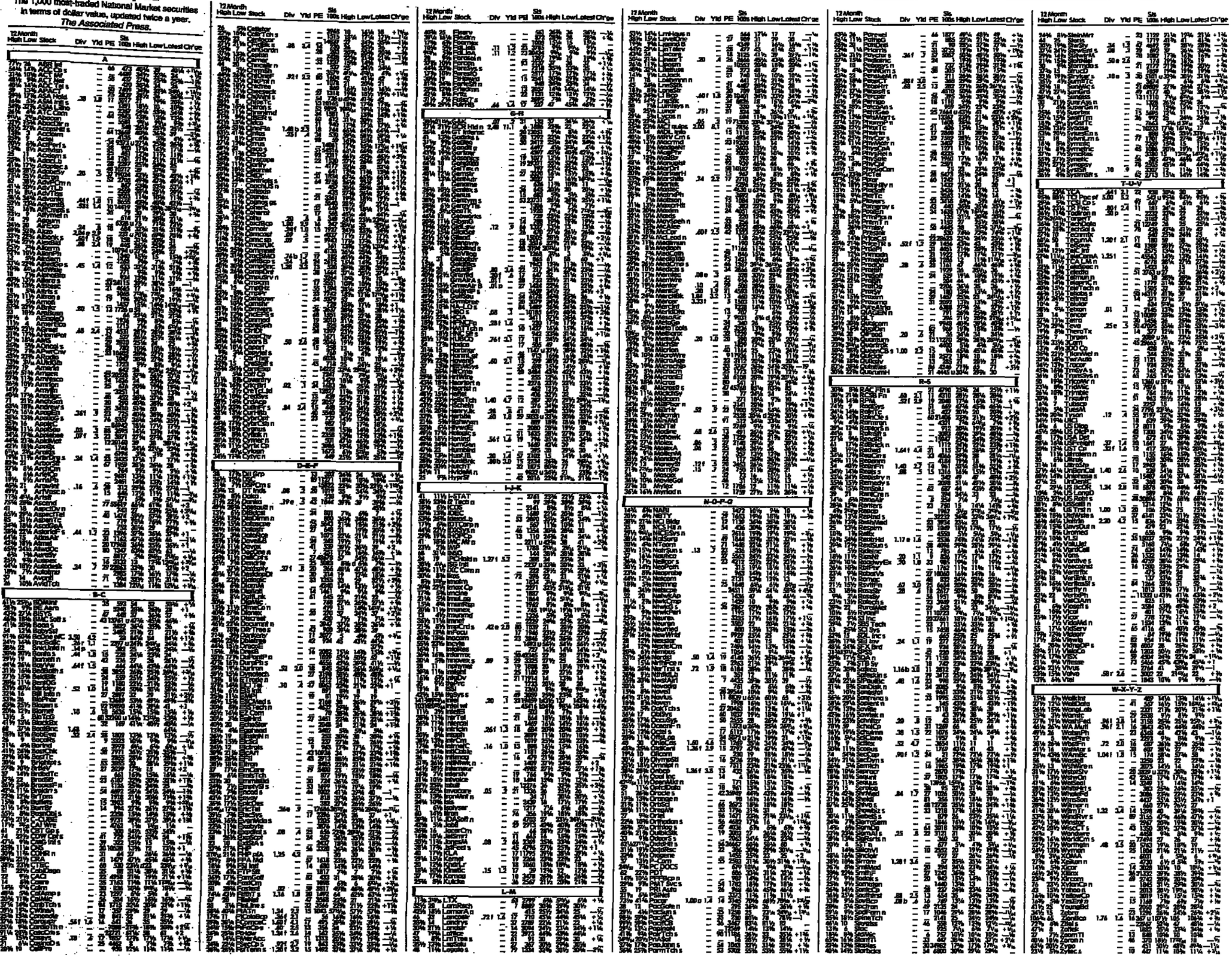
a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; SIS - stock Split; * - Ex-Dividend; * - Ex-Rts; - 0 Offer Price incl. 3% prelim. charge; * - Paris exchange; ++ - Amsterdam exchange; ¢ - unsuspected series; x-not registered with regulatory authority; P: Middle of bid and offered price; E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi-weekly; (f) - fortnightly; (m) - monthly; (t) - twice weekly; (m) - monthly.

NASDAQ

Tuesday's 4 p.m.

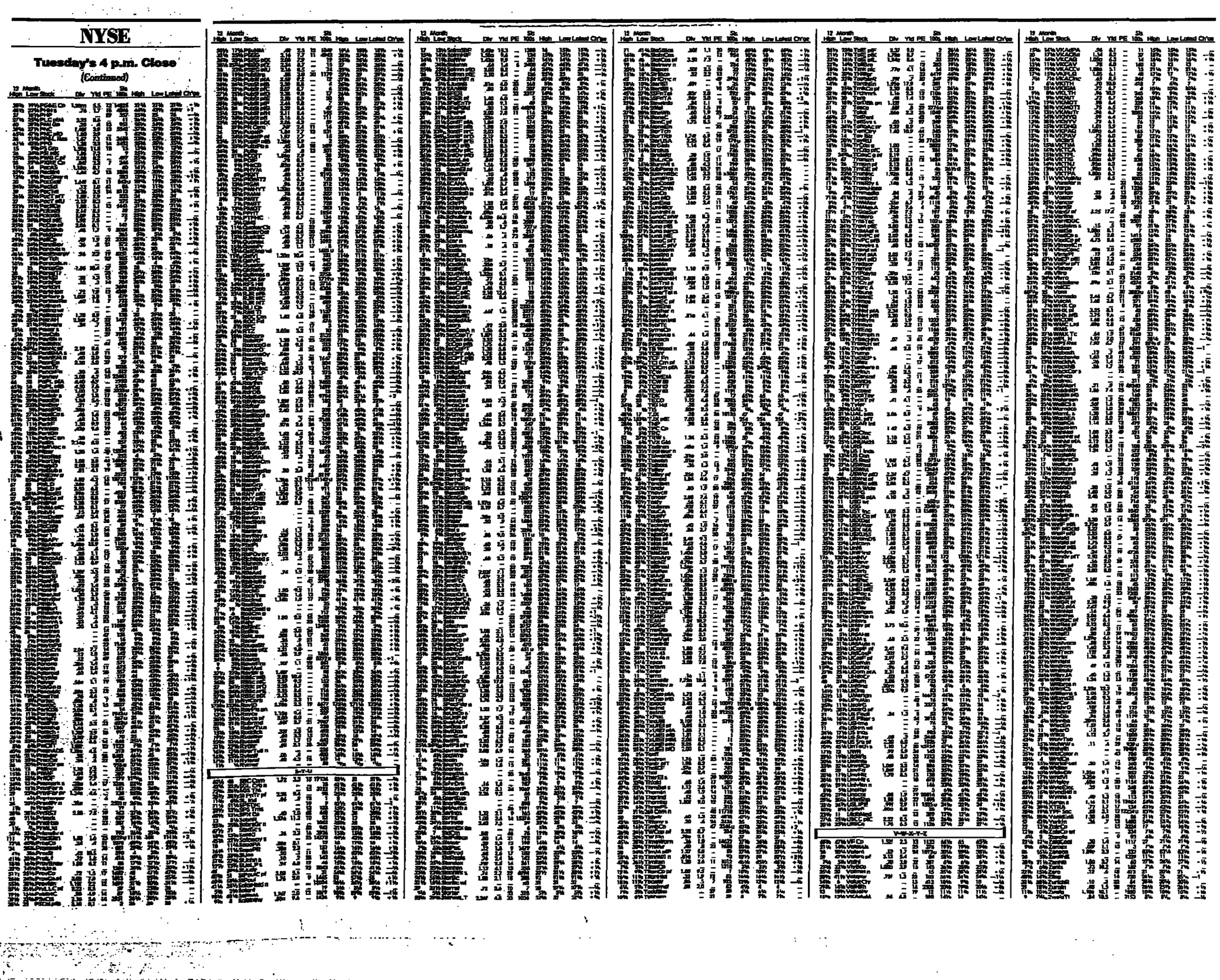
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.



NYSE

Tuesday's 4 p.m. Close

(Continued)



WORLD ROUNDUP

Australia Collapses

CRICKET Pakistan recovered from a dismal batting collapse to beat Australia by 29 runs Tuesday in a low-scoring World Series limited overs match dominated by bowlers. Chasing Pakistan's total of 149 all out, Australia was dismissed for 120 in Hobart, Tasmania. Mohammad Wasim's 54 was the highest score of the match. Michael Bevan was top scorer for Australia with 24. *(AP)*

Seles Drops Out

TENNIS Monica Seles, the four-time Australian Open champion, has broken a finger and will not defend her title next week at the year's first Grand Slam tournament. *(Reuters)*

Injuries Suggest Rape

FOOTBALL The woman who accused Dallas stars Michael Irvin and Erik Williams of sexual assault had bruises consistent with such an attack, an official told the Fort Worth Star-Telegram.

The official said doctors found bruises on the woman's back and thighs and "vaginal bruising that's not consistent with voluntary sex."

The 23-year-old woman accused Williams and another man of raping her at Williams's home while Irvin held her at gunpoint. None of the men has been charged. *(AP)*

College Attendance Rises

FOOTBALL Attendance at NCAA college football games in 1996 totaled nearly 36 million, second-best in history. The attendance for games at the 566 NCAA schools with football teams rose 359,847 to 35,997,631. The record is 36,459,896, set in 1994.

Michigan led in team attendance for the 23d consecutive year, averaging 105,932 for its six home games, just ahead of Tennessee's 105,418 in its expanded stadium. *(AP)*

Barnett Stays in School...

FOOTBALL Gary Barnett, coach of Northwestern University, has decided not to interview for the vacant coaching job at the Detroit Lions

"I am not a candidate for the Detroit Lions job or any other professional football position," Barnett said in a one-sentence news release. *(AP)*

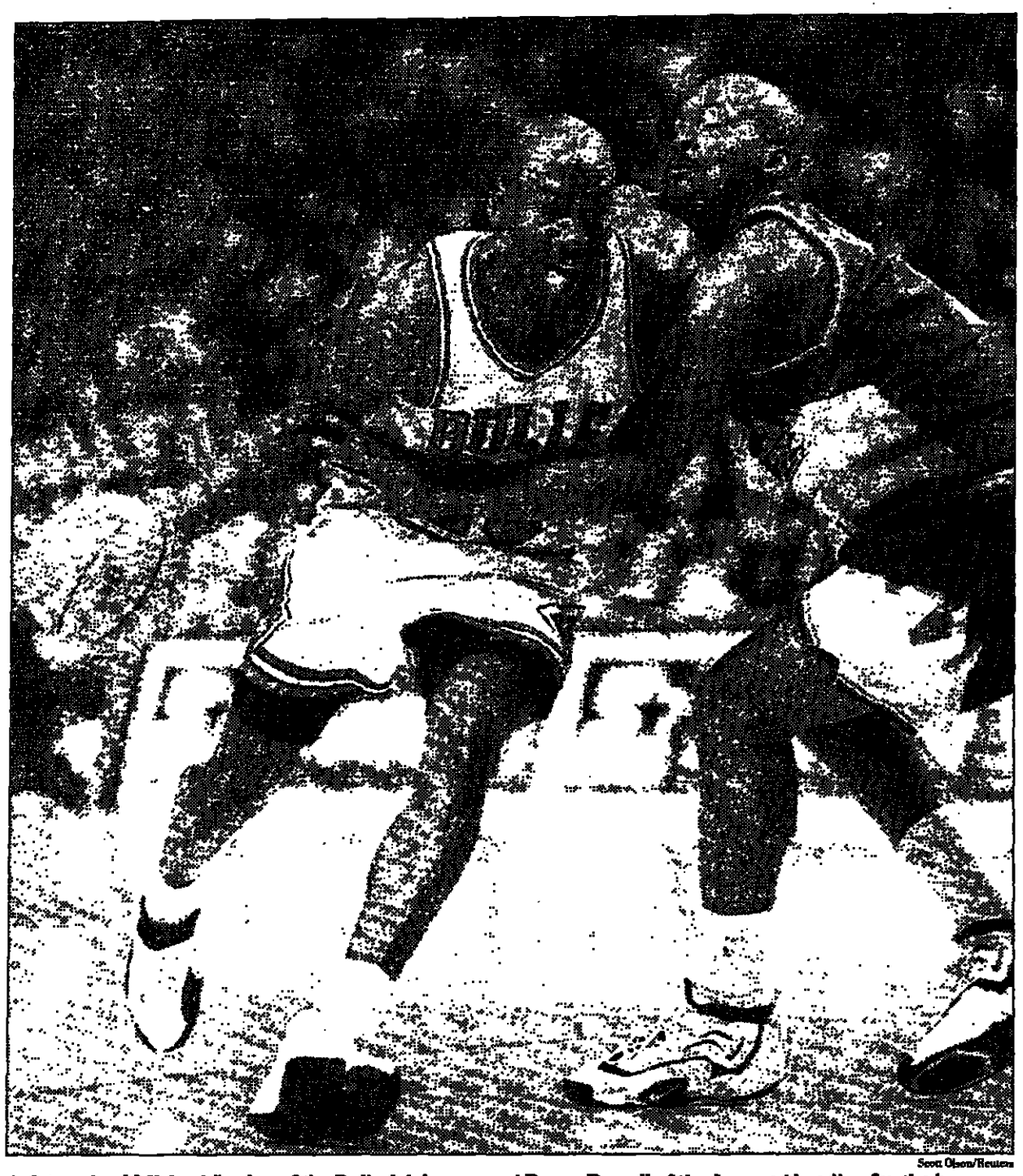
... His Star Player Leaves

FOOTBALL Darnell Autry, the Northwestern running back, was one of five underclassmen to declare themselves eligible for the NFL draft. The others were Orlando Pace, the Ohio State offensive tackle, who is a potential No. 1 draft pick; his teammate Shawn Springs; Peter Boulware, a defensive end at Florida State who led the nation in sacks; and All-America cornerback Chris Canty of Kansas State. *(AP)*

Vega Checks In

SOCCER Ramon Vega, a Swiss international defender, completed a reported £3 million ($5.1 million) transfer to Tottenham Hotspur from Cagliari of Italy Tuesday.

"England has become a Bosman hotel, attracting very good international players — and I want to be part of it," said Vega. *(Reuters)*



Scott Olson/Reuters

A determined Michael Jordan of the Bulls driving around Bryon Russell of the Jazz and heading for the hoop.

Bulls Take Their Revenge on Utah

The Associated Press

CHICAGO — Michael Jordan shoved John Stockton. Dennis Rodman planted his forearm in Karl Malone's back and kept it there most of the game. Scottie Pippen smothered Bryon Russell.

Determined not to lose again to the Utah Jazz, the Chicago Bulls showed a physical side some don't know they have.

"We're the target for everyone," Jordan said Monday after the defending NBA champions reversed a November loss at Utah by racing to a 26-point lead and coasting to a 102-89 victory.

"If we're going to sit here and be passive, let people come in and take what we have, we won't have it for long," said Jordan, who had 23 points. "We've got to defend what we have. It's toughness. It's not just a walk through the park."

Chicago lost only 10 times in winning an NBA-record 72 games last season. In rematches against teams that beat them, the Bulls went 6-0 — with an average victory margin of 21 points.

And so it was again Monday night when they faced Utah, the first team to defeat them this season and the first to feel their wrath.

"The guys experienced a little loss of pride," Phil Jackson, the Bulls coach, said of the 105-100 loss on Nov. 23. "We made it a point to do whatever it took to win this game."

If that included Jordan's pushing Stockton to the floor near the end of the first half, so be it.

"Sometimes he gets away with some of that sneaky stuff," Jordan said. "I'm a veteran, too, so I tried to get away with something sneaky."

NBA ROUNDUP

"We've had some battles in the course of play, but that's the first time that the fans got to see two competitors trying to find an edge," Jordan said. "I have a lot of respect for John. We played on the Olympic team together. But he's not going to out-compete me here at home."

Said Stockton: "No big deal. Part of the game."

What bothered Utah coach Jerry Sloan was that too few of his players were willing to mix it up with the Bulls.

"They could have beaten us by 50 points," said Sloan, whose team is 6-7 since starting the season 17-2. "I was embarrassed. That's one of the few times we came out and didn't even compete. They did everything they wanted to do, and went everywhere they wanted to go. It was pretty easy for them."

In the November meeting, Malone had 36 points and 15 rebounds, while Rodman had 10 rebounds and said he was uninterested. Monday, Malone had 27 points and 11 rebounds, but was only 1-of-8 in the first half when the game was decided; Rodman had 16 rebounds.

Russell outscored Pippen 17-16 and made seven of nine shots the first time the teams met. Monday, Russell scored three points on 1-for-12 shooting. Pippen scored 24 points.

Trail Blazers 88, Lakers 84 At Portland, Kenny Anderson scored the Blazers' final eight points as they won their fifth straight and ended the Lakers' six-game winning streak. Shaquille O'Neal had 34 points and 12 rebounds for the Lakers, but he was only 4-for-14 from the free-throw line. Arvydas Sabonis led the Blazers with 24 points.

Hornets 109, Warriors 101 At San Jose, Glen Rice scored a season-high 39 points, and Anthony Mason added 27 points and 18 rebounds as Charlotte beat Golden State. The Hornets made 13 of 14 free throws down the stretch and finished 36-of-40 at the foul line. Latrell Sprewell had 26 points and seven assists for the Warriors.

For Sale: Dodgers, Last Family Team

By Murray Chass
New York Times Service

NEW YORK — Peter O'Malley, a remnant of the dying days when families owned major league baseball teams as their sole business, has posted a "for sale" sign in Los Angeles, declaring his intention to sell one of the most glamorous and successful franchises in professional sports history.

At the start of the 40th anniversary year of the announcement of the Dodgers' controversial but pioneering move from Brooklyn, O'Malley said he and his sister, Terry Seidler, who own virtually 100 percent of the Dodgers, had decided this was the time to sell.

"The thought occurred to me with more and more frequency," O'Malley said Monday at a news conference at Dodger Stadium. "It finally occurred to me that this is the time. My family supports the position completely."

The transition, he said, "will be smooth; it will not be a circus."

The Dodgers, who have finished first or second 19 times in O'Malley's 27 years as club president and have drawn more than 3 million in attendance 11 times in the last 19 years, will become the 13th major league team to be sold since June 1991. That's half of the franchises that existed that season.

The Dodgers are the last of the teams owned by families like the Yawkeys of Boston, the Griffiths of Washington and Minnesota, the Carpenters of Philadelphia and the Stonehams of New York and San Francisco.

"I think family ownership of sports today is probably a dying breed," said O'Malley, whose family took control of the franchise in 1950. "If you look at all sports, it's a high-risk business. Professional sports is as high risk as the oil business. You need a broader base than an individual family to carry you through the storms. Groups or corporations are probably the way of the future."

The Dodgers' package is a lucrative one. It includes the team, Dodger Stadium, the property it stands on, Dodgertown in Vero Beach, Florida, the Vero Beach Class A minor league team and a baseball complex in the Dominican Republic.

One person familiar with the sale of franchises estimated that the package could sell for roughly $350 million. Another person with knowledge specifically of baseball sales said $450 million would not surprise him. Walter O'Malley, Peter's father, bought an initial interest in the Dodgers for a few hundred thousand dollars during the mid-1940s.

Asked why he was selling, O'Malley talked about estate planning and his and his sister's families. He has three children, Mrs. Seidler 10.

"It's smart to plan for the next generation," he said. "That's probably the best reason."

"On balance," O'Malley said, "the family completely supports this decision. I haven't talked to any of our children about someday running the Dodgers. Your children should decide their own career path without any influence. My dad didn't put any pressure on me. He saw I was interested. I wouldn't get in the way of my children in deciding what they wanted to do."

O'Malley's father, who ran the team from 1950 to 1970, was the most powerful and persuasive owner in baseball during his tenure.

Peter, who became president in 1970 — nine years before his father's death — and is the longest active president in baseball, never achieved that status, although he was a major supporter of Bowie Kuhn when Kuhn was commissioner.

In recent years, O'Malley has become isolated from baseball's center of power. He and Jerry Reinsdorf, the influential owner of the Chicago White Sox, hated each other and he and Bud Selig had a falling out after Selig became acting commissioner.

Niekro Wins One More: This Time, Hall Of Fame

By Claire Smith
New York Times Service

Phil Niekro, the knuckleball pitcher who won 318 games, was elected to the baseball Hall of Fame in his fifth year of eligibility.

While the doors opened to Niekro on Monday, they stayed closed for Don Sutton, a 324-game winner, who remains one of only six pitchers, including Niekro, to win 300 games and strike out at least 3,000 hitters. Sutton missed by nine votes among the record 473 ballots cast.

Niekro, who pitched until age 48 in a 24-year career, was named on 380 ballots cast by members of the Baseball Writers Association of America who have covered baseball for at least 10 consecutive years. Niekro was named on 80.34 percent of the ballots, well above the 75 percent needed.

It marked the second straight year that Niekro and Sutton finished first and second on the ballot. Neither was elected in 1996 because both failed to get 75 percent of the vote.

Sutton is the only 300-game winner eligible but not yet enshrined in Cooperstown. His prospects might worsen over the next few years as Gary Carter, George Brett, Robin Yount and Nolan Ryan become eligible. He received 346 votes (73.15 percent).

Niekro, 57, pitched most of his career for the Braves in Milwaukee and Atlanta. He flourished thanks to a pitch more like a butterfly than a bullet.

The right-hander started with the Braves in 1964. He also pitched for the Yankees, the Indians and the Blue Jays before retiring after the 1987 season. He struck out 3,342 batters, compiled 592 decisions and pitched 5,404 innings. His career earned run average was 3.35. He won 20 games three times and lost 20 twice. In 1979 he did both, going 21-20. He ranks 13th in victories and 8th in strikeouts. Sutton ranks 11th and 5th.

Niekro was a five-time Gold Glove winner and holds the National League record for putouts by a pitcher (340). He shares the major league mark for most years working 200 or more innings (19) with Cy Young.

For 21 years Niekro's career ran parallel with that of his brother, Joe, a fellow knuckleballer. They pitched for a combined 46 years and won 538 games, a record for brothers.

Niekro won his 300th game, at 45, while with New York, pitching a complete game shutout against Toronto on the final day of the 1985 season.

Niekro said later that he threw only one knuckleball in that landmark victory — on the final pitch of the game. He said he had wanted to show that he did not need a trick pitch to win, but on the final pitch he wanted to pay homage to the pitch that carried only one other pitcher to the Hall of Fame — Hoyt Wilhelm in 1985.

Niekro is the 174th player and 61st pitcher elected.

The only other player named on more than half the ballots was Tony Perez, the former All-Star first baseman for the Cincinnati Reds, who received 312 votes (65.96 percent).

Pete Rose, baseball's hits leader whose ban from baseball because of gambling has made him ineligible for the Hall of Fame ballot, received 20 write-in votes. Joe Torre, now the Yankees manager, and Dick Allen, a former All-Star first and third baseman for the Phillies and White Sox, each finished with 79 votes in their 15th and final year on the writers' ballot.

A Funny Thing Happened on the Way to Super Bowl

Washington Post Service

Vantage Point/**TONY KORNHEISER**

GO Jacksonville. Go Carolina. I am rooting for the Expansion Bowl.

(Though I am glad the Expansion Bowl will be played in that gourmet haven New Orleans, and not in either Charlotte, North Carolina, or Jacksonville, Florida — since I have to be there for a week.)

Just two years in the league, and Jacksonville and Carolina are already in their conference finals. Isn't this a bit quick? What did the official expansion kit come with, yeast?

All the major sports have had multiple expansions, and no expansion teams ever shot to the top of the standings like these two. In their second season, most expansion teams are still so far under water they go to camp wearing snorkels. Expansion is simply not supposed to be such a piece of cake. If it were, we should expect to watch Toronto and Vancouver in the National Basketball Association finals in June.

What happened to paying your dues? Or were the dues waived with the initiation fee?

I never knew expansion could be so painless. Usually, the league tells the new teams, "The first few seasons will be rocky, but hang in there, and with a couple of good drafts and some smart trades, you'll be a contender in five or six years."

This is incredible. In five or six years Jacksonville and Carolina will be rebuilding! (And watch for Tom Coughlin, the Jacksonville coach, in "The Caine Mutiny" in dinner theater. That guy is wound tighter than a golf ball. For that matter so is Dom Capers, Carolina's coach.)

The keys to Carolina's and Jacksonville's immediate flourishing are: double the amount of draft picks as everybody else and free agency.

In past expansions, before free agency, a team had no way to acquire talented players except through the draft. So they'd languish at the bottom of the standings for years. But Jacksonville and Carolina could target the players they wanted, and go get them — especially since they had so much room cleared under the salary cap.

Anybody who says Jacksonville and Carolina had no inherent advantage is simply crazy. They had a clean financial slate, and complete access to young talent and old talent. Thirty-five years worth of expansions in pro sports, and no teams ever had this kind of success in their second season.

That's merely a coincidence? That's because Carolina and Jacksonville have the best owners, who hired the best coaches and the best general managers? Grow up. Of course Bill Polian, Carolina's general manager, looks like a genius. He helped write the expansion rules.

Honestly, what is going on in the NFL?

QUESTION: What do quarterbacks Steve Young, John Elway, Jim Kelly and Troy Aikman have in common?

ANSWER: They're all going to the Hall of Fame — and none of them will get a sniff of this year's Super Bowl. The same holds for Dallas's running back Emmitt Smith and Buffalo's Thurman Thomas.

In their places are babies like the Jaguars' quarterback, Mark Brunell, who may be the next Young; the Patriots' Drew Bledsoe, who may be the next Aikman; the Panthers' Kerry Collins, who may be the next Kelly. Oh, and Green Bay's Brett Favre, who is already Elway. (By the way, here is Green Bay's depth chart at quarterback from three seasons ago: Favre, Brunell, Ty Detmer. So obviously, someone up there in Wisconsin can do something with his head besides balancing a wedge of cheese.) In place of Smith and Thomas, there are the Patriots' Curtis Martin and the Panthers' Anthony Johnson. Kids.

Maybe this isn't the Apocalypse. Maybe Dallas will be back next year. (And maybe by then the Cowboys' wide receiver Deion Sanders will have regained consciousness. Lying on that cart as he was wheeled off the field, it looked like the aftermath of the barricades scene in "Les Miserables.")

Maybe a search party can find Pittsburgh's defense by then. And maybe they'll find Denver's, too — since Elway can't bring you back if he doesn't get the ball.

Maybe with all the money the 49ers spend on coaching consultants, they can spend some on a running back so Steve Young doesn't have to hit the beach like the Marines at Iwo Jima.

Or maybe it's a whole new ball game in the NFL. Five years ago, Green Bay was coming off a 4-12 season. Four years ago, New England was coming off 2-14. Three years ago Jacksonville and Carolina had their noses pressed up against the windowpane of pro football.

Maybe something is happening here, and you don't know what it is, do you, Jerry Jones?

The Grass Will Be Greener When Packers Face Carolina

By Frank Litsky
New York Times Service

By the time the Green Bay Packers finished whipping the San Francisco 49ers Saturday in the National Football League playoffs, the grass at the Packers' Lambeau Field had disintegrated, a victim of all-day freezing rain.

On Sunday, when the Packers play the Carolina Panthers for the National Conference title and a Super Bowl berth, it will be a different field.

After the game, the NFL and the Packers brought in Chip Toma, the league's field and turf consultant, to inspect the field. He and Todd Edlebeck, the Packers' ground supervisor, decided on a complete resodding.

Monday, the Kentucky bluegrass sod was being cut in 42-inch, 2,000-pound strips at the DecaTurf sod farm in Maryland. Reggie Roberts, an NFL spokesman, said the plan was to load the sod onto 25 to 30 trucks which were due to arrive in Green Bay late Tuesday and have the surface in place by Thursday.

The grass is also new at Foxboro Stadium, where the New England Patriots will play the Jacksonville Jaguars on Sunday for the American Football Conference championship.

After the Patriots beat the Jets Dec. 8 in their final home game of the regular season, the field was a mess. With a month to go before their first playoff game, the Patriots resodded the field, and it held up fine in Sunday's victory over the Pittsburgh Steelers.

Phil Niekro's Hall of Fame Numbers

CAREER STATISTICS

	TOTAL	M.L. RANK
YEARS	24	5
VICTORIES	318	13
LOSSES	274	5
ERA	3.35	35*
STRIKEOUTS	3,342	8
GAMES	864	15
INNINGS	5,403.2	4
HITS	5,044	3
RUNS	2,337	5

*Pitchers with 3,000 or more career innings pitched.

The New York Times/Larry C. Morris

BY THE NUMBERS

538	Major league record for career victories by two brothers (Joe)
340	National League record for most putouts by a pitcher
200	National League record for most wild pitches.
2	Knuckleball pitchers in the Hall of Fame
1	Career no-hitter, against San Diego in 1983.
0	Major league record for fewest sacrifice flies allowed, in 284 innings, in 1984.

SPORTS

Nigeria Is a Coach's Dream and Nightmare

International Herald Tribune

World Soccer / **Rob Hughes**

LONDON — This is Africa calling. Somewhere out there is a foreign coach big enough, bold enough and knowledgeable enough to lead Nigeria to its destiny.

That, in soccer, could be nothing less than world champion. Nigeria is the Olympic champion, its youth has twice conquered the world at Under 17 level. So now the nation is big-game hunting for a manager-coach to harness this potential for the 1998 World Cup.

Nigeria is the rising force on a continent that Sir Stanley Rous, the late president of FIFA, world soccer's governing body, forecast would win the World Cup this millennium.

Time is short. Nigeria's next qualifying match is in Kenya this weekend. The soccer federation had pledged on state TV to find a coach for this game.

"We need a high profile man," said Danladi Bako, assistant director of Nigeria's Sports Ministry. "We have got in touch with Kevin Keegan, Howard Wilkinson, Louis van Gaal and Johan Cruyff and want to select one of them to manage the Super Eagles."

This is intriguing.

Keegan is a millionaire and a messiah in England's northeast, where he has raised Newcastle United from poverty to European prominence in the first third of his 10-year contract.

His charisma attracted backers and talent. Keegan exhales enthusiasm the way Newcastle folk used to inhale coal dust. Newcastle narrowly missed England's league championship last season, its team is fourth this year. But ebullience is turning to fear of failing.

Keegan's team attacks like cavaliers but defends poorly. Normally the most approachable of men, Keegan walked out of a press conference Sunday, when quizzed about stories that he had offered to resign.

Nigeria was not mentioned, but even if he left Newcastle, who could replace the idyllic English mansion, complete with stables for his daughters' horses, built for Keegan on the Newcastle chairman's estate?

What about van Gaal? Recommendations of his coaching at Ajax of Amsterdam comes first hand from three Nigerians. Finidi George, the stealthy winger, was in van Gaal's Ajax two European Cup winning teams. Nwanko Kanu, center forward, captain and inspiration of the Olympic triumph, was van Gaal's prodigy until Inter Milan bought him last summer. Another Olympian, Tijani Babangida is flying on Ajax's right wing.

Van Gaal will leave Ajax in May, but probably to coach Bayern Munich.

Johan Cruyff, sacked by Barcelona last summer, steadfastly refuses offers from the biggest clubs while he pursues the Barcelona president through the courts. Candidate number four, Howard Wilkinson, this week accepted the $300,000-a-year post of technical director of the English Football Association.

So four big-name candidates, and no appointment for Nigeria. The proposition must be enticing because of the rich talent of Nigeria's players — their combination of muscle, skill and competitive instinct built through the endless hours when boys in poverty play with a ball.

But the task of turning them into world beaters has drawbacks. The coach works for General Sani Abacha, the military ruler. In victory, the general promises lavish rewards; but he, his ministers and the minions at the soccer association put impediments in the way.

THIS TIME last year Nigeria was pulled out of the African Nations' Cup in South Africa because Abacha was upset when Nelson Mandela denounced the execution of dissidents in Nigeria. The team, brought home from clubs in nine European countries, was left idle at its training camp.

In the summer, the youngest of them came from behind against Brazil in the semifinal and against Argentina in the Olympic final. Johannes Bonfrere, the Dutchman who had been Nigeria's third coach in a matter of months, was decorated with the country's highest honor and promised a 1.5 million naira ($145,000) bonus by the president.

Within weeks, Bonfrere was the ex-Nigeria coach. He claimed that his $7,500 monthly check, never mind the bonus, was unpaid. The soccer association accused him of misusing the $25,000 budget for Olympic preparation. So, like his predecessors, Clemens Westerhof, also Dutch, and Brazilian Carlos Alberto, he departed acrimoniously. Bonfrere took his astute tactical grasp to Qatar. His advice to any successor? "They promise the earth, but they want to tell you who to select. European coaches would not last a month before walking out because in Nigeria you are not only coach but manager, ball boy, nursemaid, transport organizer, everything. Most trainers would quickly go mad."

Yet, Bonfrere agrees, the potential is immense.

At the ministry, Bako admitted: "We are desperate to have a new manager. The man to fill the vacancy must be able to fit into and operate within the Nigerian situation. It will be criminal if we fail to qualify for the 1998 World Cup."

Criminal, indeed. In Budapest on Tuesday Kalman Meszoly, formerly Hungary's coach, claimed he was duped by a Nigerian asking $2,000 to fix an interview for the vacant position. Meszoly waited. The agent returned, and demanded a commission because, he said, Meszoly was short-listed. Nigeria's F.A. denies that Meszoly was ever a candidate.

Rob Hughes is on the staff of The Times of London.

David Finnoch/Agence France Presse

HITTING OUT — Amy Frazier delivering a backhand on her way to victory over No. 1 seed Arantxa Sanchez Vicario in the second round of the Sydney International, the last event before the Australian Open.

Richter Saves Rangers in 2-2 Tie With Avalanche

The Associated Press

Mike Richter, the New York Rangers' goalie, extended his unbeaten streak to 16, making 38 saves in a 2-2 tie with the Colorado Avalanche.

Richter allowed two power-play goals to the Avalanche on their first five shots, then stopped their next 35 as the Rangers rallied to extend their home-ice unbeaten streak to seven.

It was a standoff between Richter and Colorado's goaltender, Patrick Roy, who will start for the Western Conference in the All-Star game Jan 18 in San Jose. Roy made 30 saves in an equally stellar performance as Colorado also extended its unbeaten streak to seven.

"It was a super hockey game," said Colorado's Keith Jones, who scored a goal. "It was playoff-type hockey."

Richter, overlooked for the All-Star game, was at his best in the third period when he made 16 saves.

Florida's John Vanbiesbrouck, Buffalo's Dominik Hasek and New Jersey's Martin Brodeur are the goalies on the Eastern All-Star team.

After giving up two goals in the second period, Roy stopped the Rangers the rest of the way.

The Avalanche came into Monday night's game with seven regulars out of the lineup, including three of their top four scorers — Joe Sakic, Peter Forsberg and Valeri Kamensky.

NHL Roundup

The Avalanche quickly put the Rangers into a hole with first-period goals by Jones and Jon Klemm. With Colorado holding a two-man advantage, Jones scored at 11:16. The Avalanche still had a man advantage when Klemm scored at 12:49.

The Rangers came back to tie it in the second as Bill Berg jammed the puck past Roy at 10:24, and Adam Graves scored at 17:32.

Lightning 4, Senators 3 Defenseman Bill Houlder scored his first goal of the season as visiting Tampa Bay beat Ottawa. Alexander Selivanov, Daymond Langkow and Shawn Burr also scored for Tampa, which withstood a Senators' rally after taking a 4-1 lead on Houlder's goal early in the third period.

Canadiens 5, Whalers 4 In Montreal, Vincent Damphousse scored three goals, including the game-winnerwith 3.4 seconds left in regulation, as the Canadiens extended their unbeaten streak to a season-high seven games.

Canucks 5, Mighty Ducks 1 In Anaheim, California, Pavel Bure scored twice and Mike Sillinger had a goal and two assists as Vancouver won its third straight. Scott Walker scored his first NHL goal in more than a year.

Sex Assault Shakes Canadian Junior Hockey

By Helene Elliott
Los Angeles Times

Sheldon Kennedy was sexually assaulted by his junior hockey coach in Canada more than 350 times over a 10-year period — sometimes with a shotgun pointed at him.

Kennedy, a winger with the Boston Bruins, and another player who has maintained anonymity filed suit last summer against Graham James, long a successful coach in the junior ranks. James last week pleaded guilty to two counts of sexual assault between 1984 and 1994 and was sentenced to three and a half years in prison. He could be out on day parole in September.

"He took the youth right out of me," Kennedy said in a television interview. "My years from 14 until now have kind of been a fog. I'll never forgive him."

Many youth hockey coaches are parents who begin as volunteers and advance through the system without undergoing the type of screening an employer would run on a job-seeker. Canadian hockey officials are discussing how to screen coaches, while law enforcement officials are trying to determine if there are other victims.

Coaches can be powerful authority figures in the Canadian junior ranks, where kids often leave home at 14 or 15 and live with local families as they take the first steps toward a National Hockey League career.

"At 15 in the hockey world," Kennedy said, "it's a tough thing to do, to say a man has touched you or made sexual moves on you. You don't want to wreck your dreams."

Every Tuesday and Thursday for six years, Kennedy went to James's house. "He considered me his wife," Kennedy said.

Kennedy, who drank to hide his turmoil, kept his secret until he was with the Calgary Flames, his second NHL team.

The James case is not the first such incident in Canadian minor hockey.

In 1996, the Quebec Ice Hockey Federation barred Martin Dubuc from coaching after he was convicted of sexual assault. Former coach Jean Begin of Drummondville, Quebec, convicted of seven counts of sexual assault in 1991, committed suicide in prison. Stephane Valois of Sorel, Quebec, was charged with three counts of sexual assault on minors shortly after his team won the national midget championship in 1990.

He was sentenced to five months in jail.

Scoreboard

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	24	8	.750	—
New York	23	9	.719	1
Washington	16	15	.516	7½
Orlando	11	17	.393	11
New Jersey	8	21	.276	14½
Philadelphia	8	23	.258	15½
Boston	7	23	.233	16

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	29	4	.879	—
Detroit	24	7	.774	4
Cleveland	21	10	.677	7
Atlanta	18	11	.621	9
Charlotte	18	14	.563	10½
Milwaukee	15	16	.484	13
Indiana	14	16	.467	13½
Toronto	10	21	.323	18

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	24	6	.750	—
Utah	23	9	.719	1
Minnesota	14	18	.438	10
Dallas	10	19	.345	12½
San Antonio	9	21	.300	14
Denver	8	23	.259	15½
Vancouver	6	27	.182	18½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	25	10	.714	—
Seattle	23	13	.676	2½
Portland	19	15	.559	5½
Sacramento	14	20	.412	10½
L.A. Clippers	13	19	.406	10½
Golden State	12	19	.387	11
Phoenix	10	22	.313	13½

MONDAY'S RESULTS

Utah 15 22 24 28— 89
Chicago 29 27 21 25—102

U: Malone 10-18 7-8 27, Stockton 7-11 3-3 18; C: Pippen 8-15 6-8 24, Jordan 8-20 5-6 23. Rebounds—Utah 46 (Malone 11), Chicago 54 (Rodman 16). Assists—Utah 21 (Stockton 11), Chicago 25 (Kukoc 6).

L.A. Lakers 22 18 24 28—84
Portland 26 18 20 24—88

L.A.: S.O'Neal 15-23 4-14 34, Campbell 7-13 0-0 14; P: Sabonis 8-18 7-7 24, Rider 3-13 11-14 17. Rebounds—Los Angeles 52 (S.O'Neal 12), Portland 57 (Dudley 13). Assists—Los Angeles 18 (Van Exel 9), Portland 19 (Sabonis, Rider 5).

Charlotte 34 25 22 27—189
Golden State 32 22 22 28—101

C: Rice 13-25 8-8 39, Mason 7-16 13-14 27; G.S.: Sprewell 9-20 5-6 26, J.Smith 11-20 1-1 23. Rebounds—Charlotte 54 (Mason 18), Golden State 52 (J.Smith 10). Assists—Charlotte 22 (Mason 6), Golden State 24 (Sprewell, Mullin 7).

The AP Top 25

The top 25 teams in The Associated Press' college basketball poll, with first-place votes in parentheses, records through Jan. 5, total points based on 25 points for a first-place vote through one point for a 25th-place vote, and last week's ranking:

	Record	Pts	Prv
1. Kansas (59)	13-0	1,739	1
2. Wake Forest (11)	10-0	1,685	2
3. Kentucky	12-1	1,612	3
4. Iowa St.	10-0	1,494	4
5. Clemson	12-1	1,391	5
6. Cincinnati	9-2	1,375	6
7. Arizona	9-2	1,273	9
8. Villanova	11-1	1,257	10
9. Utah	9-2	1,149	7
10. Duke	11-2	1,107	13
11. Minnesota	13-1	1,077	15
12. Xavier, Ohio	10-0	932	17
13. North Carolina	9-2	852	11
14. Louisville	11-1	817	14
15. Indiana	14-2	762	12
16. Michigan	10-3	684	8
17. Oregon	10-0	635	20
18. New Mexico	11-2	508	16
19. Maryland	12-1	444	19
20. Texas Tech	9-2	373	23
21. Stanford	8-2	360	21
22. Texas	7-3	325	18
23. Boston College	8-2	212	25
24. Georgia	11-2	165	—
25. Illinois	11-3	96	24

Others receiving votes: Connecticut 76, Mississippi 75, Florida St. 68, Wisconsin 38, Providence 31, New Mexico St. 19, Iowa 18, Coll. of Charleston 14, Marquette 14, California 11, Hawaii 11, Texas Christian 11, UCLA 11, Pacific 7, E. Michigan 4, Illinois St. 4, Alabama 3, Oklahoma 3, Tulsa 3, Georgetown 2, New Orleans 2, SW Missouri St. 1.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	25	12	4	54	133	100
Florida	21	10	9	51	118	92
N.Y. Rangers	22	16	6	50	153	122
New Jersey	21	15	3	45	105	101
Washington	17	20	4	38	109	110
Tampa Bay	14	20	5	33	113	127
N.Y. Islanders	12	19	8	32	99	113

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	21	15	4	46	121	106
Pittsburgh	21	15	4	46	148	127
Hartford	17	16	7	41	122	131
Montreal	16	18	8	40	136	144
Boston	15	18	6	36	113	136
Ottawa	12	20	7	31	107	119

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	23	15	3	49	118	100
Detroit	20	13	7	47	125	85
Phoenix	18	19	4	40	110	130
St. Louis	18	20	4	40	120	136
Chicago	15	21	7	37	111	120
Toronto	17	24	0	34	125	146

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	24	10	7	55	144	98
Edmonton	18	19	4	40	136	127
Vancouver	19	19	1	39	124	130
Anaheim	14	21	5	33	113	126
Calgary	14	22	5	33	102	121
San Jose	14	21	4	32	101	125
Los Angeles	13	23	4	30	104	138

MONDAY'S RESULTS

Tampa Bay 2 1 1—4
Ottawa 1 0 2—3

First Period: T-Selivanov 11 (Bannister, Taboracci) 2, T-Langkow 8 (Grafton, Zamuner) 3, O-, Yashin 17 (Duchesne, Musil) Second Period: T-Burr 8 (Cullen, Selivanov) Third Period: T-Houlder 1 (Ulanov, Ysebaert) 6, O-Pitlick 3 (Alfredsson, Zent) 7, O-, Cunneyworth 6 (Zholtok, Laukkanen) (pp). Shots on goal: T- 12-8-6—26. O- 8-6-10—24. Goalies: T-Taboracci. O-Rhodes.

Hartford 1 2 1—4
Montreal 2 1 2—5

First Period: M-Wilkie 3 (Thornton, Tucker) (pp), 2, H-Cassels 11 (Wesley, Sanderson) (pp), 3, M-Murray 3 (Rivett, Wesley) 5, M-Damphousse 17 (Savage, Recchi) 6, H-Cassels 12 (Sanderson) Third Period: H-Kapanen 6 (Rice, Primeau) 8, M-Damphousse 18 (Popovic, Savage) 9, M-, Damphousse 19 (Recchi) Shots on goal: H- 9-10-11—30. M- 5-6-15—26. Goalies: H-Muzzatti, M-Thibault.

Colorado 2 0 0 0—2
N.Y. Rangers 0 2 0 0—2

First Period: C-Jones 15 (Young, Ozolinsh) (pp), 2, C-Klemm 5 (Lemieux, Jones) (pp). Second Period: New York, Berg 6 (Driver) 4, New York, Graves 14 (Robitaille, Messier) (pp). Third Period: None. Overtime: None. Shots on goal: C- 10-12-16-2—40. New York 11-13-6-2—32. Goalies: C-Roy, New York, Richter.

Vancouver 1 2 2--5
Anaheim 1 0 0—1

First Period: A-Selanne 22 (Mironov, Kariya), 2, V-Walker 1 (Sillinger) Second Period: V-Bure 15 (Sillinger) 4, V-Sillinger 8, (sh), Third Period: V-Bure 16 (Tikkanen) (sh), 6, V-Babych 3 (Ridley, Rohlin) (pp). Shots on goal: V- 15-14-12—41. A- 15-6-10—31. Goalies: V-McLean, A-Heberl.

CRICKET

LIMITED OVERS WORLD SERIES

AUSTRALIA VS. PAKISTAN

TUESDAY, IN HOBART, AUSTRALIA

Pakistan: 149 all out in 45.2 overs
Australia: 120 all out in 41.3 overs.
Pakistan won by 29 runs.
Standings: West Indies 6, Pakistan 4, Australia 4.

WEST INDIES TOUR

LIMITED OVERS TOUR MATCH

AUSTRALIAN COUNTRY XI VS. W. INDIES

TOOWOOMBA, AUSTRALIA

Australian Country XI: 239 all out in 49.5 overs
West Indies: 275 for seven in 50 overs
West Indies won by 36 runs

SOCCER

SPANISH FIRST DIVISION

Real Betis 1, Valencia 1
Standings: Real Madrid 42, Barcelona 40, Deportivo Coruna 37, Real Betis 34, Atletico Madrid 32, Real Sociedad 31, Valladolid 29, Tenerife 28, Athletic Bilbao 27, Racing Santander 25, Valencia 24, Rayo Vallecano 23, Celta Vigo 23, Oviedo 22, Espanyol 19, Compostela 19, Sporting Gijon 18, Logrones 15, Zaragoza 14, Sevilla 14, Hercules 12, Extremadura 8.

TRANSITIONS

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

NEW JERSEY—Waived F Lloyd Daniels and C Robert Werdann.

ORLANDO—Activated G Anfernee Hardaway from injured list.

PHOENIX—Suspended F Robert Horry for two games for throwing a towel at coach Danny Ainge in a Jan. 5 game.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BUFFALO—Reassigned quarterbacks coach Jim Shofner to the team's scouting department.

HOCKEY

NATIONAL HOCKEY LEAGUE

COLORADO—Announced the resignation of Joel Quenneville, assistant coach. Named Mike Foligno assistant coach.

ST. LOUIS—Named Joel Quenneville coach.

COLLEGE

KENTUCKY—Announced QB Billy Jack Haskins will transfer to Rhode Island next fall.

MOREHOUSE COLLEGE—Named Doug Williams football coach.

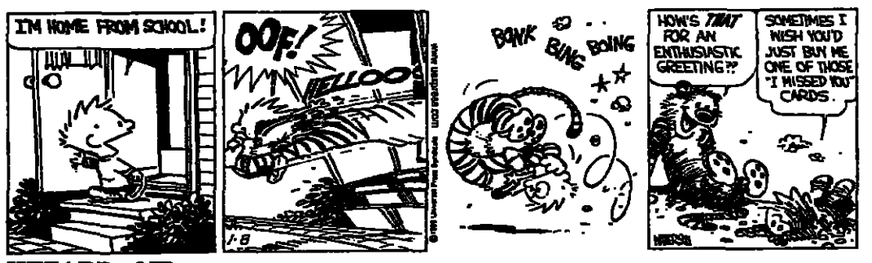
SAN DIEGO STATE—Announced that C Aliya Williams has been dismissed from the women's basketball team for violating team rules.

DENNIS THE MENACE

"HOW COME YOU'RE MAD AT ME? I'M NOT THE ONE WHO LOST YOUR TEMPER!"

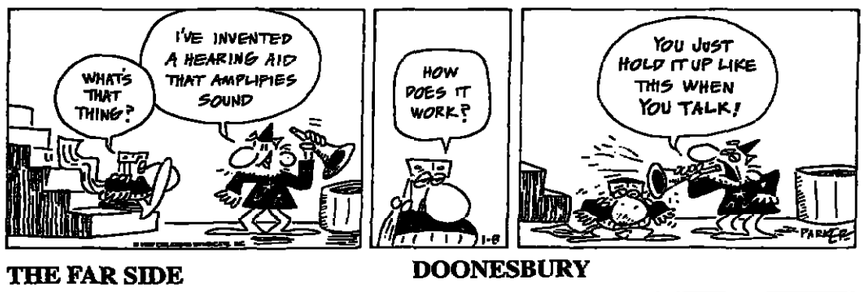
PEANUTS

CALVIN AND HOBBES

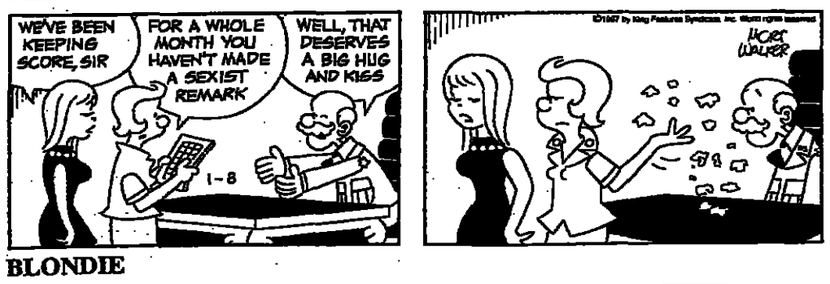


GARFIELD

WIZARD of ID



BEETLE BAILEY



THE FAR SIDE

"Oh, don't be silly! No thanks needed. Just take the brain – but tell that doctor you work for not to be such a stranger."

DOONESBURY

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GOARC
ROMAR
SCAFAR
NECBOK

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

Yesterday's Jumbles: FANCY ADULT BUTLER POSTAL
Answer: What the janitor's job gave the un-con— A "CLEAN" START

Air Dolomiti
Welcome to Italy
Munich
Turin Cagliari Genoa Verona Venice Trieste
Information 039/432/512464

LANGUAGE

The 4-1-1 on Slang

By Lynette Holloway
New York Times Service

NEW YORK — Ayo, listen up. The four-one-one is that the second volume of the Random House Historical Dictionary of Slang promises to kick more flavor from the world of hip-hop. So even those of you chillin' in butter-smooth apartments on Park Avenue can be down with the latest street slang.

The first volume, published in 1994 and covering letters A through G, was heavy on Valley Girl-speak. But the next installment, which covers H through O and is due this summer, lends more scholarship to hip-hop, with hundreds of examples gleaned from rap lyrics.

"This volume will have more of the language, not only because the vocabulary has grown but it has become more widespread," said Jesse T. Sheidlower, the dictionary editor at Random House Reference.

□

Of course, black slang has always contributed to the American vernacular. The popularity of hip-hop has lifted the latest incarnation of black slang from the streets to new heights in pop culture.

"More so than ever, the language is everywhere," said Bill Adler, a record producer and one-time spokesman for groups like Public Enemy. "In a box-office hit 'Independence Day,' you have a rapper, Will Smith, playing the lead role. Nobody blinked when he spoke mostly hip-hop."

So how does an erudite editor figure out the latest slang? Easy. Sheidlower watches a lot of "Martin," the Fox sitcom starring the comedian Martin Lawrence. He also reads liner notes and listens to rappers like Notorious B.I.G., Snoop Doggy Dogg and Mobb Deep. He has street informants whose names he prefers to keep on the down low. And he meets with students, reads publications like The Source and Rap Pages, and surfs Internet offerings like "The Totally Unofficial Rap Dictionary."

His methods for gathering information are no different from most shorties — that is, young people — from the 'hood.

"I watch Fox and UPN-9," said Jose Lopez, a 14-year-old from Harlem. "Most of their shows at night are up on the latest words, no diggity."

"The language is very transitory," said Tom Dalzell, the author of "Flappers 2 Rappers: American Youth Slang," published last fall by Merriam-Webster. "When you take a snapshot of what's being said in October, it may not be said a month later."

Ask Charlene Ortiz, 14, about the staying power of words. In the fall, "No doubt" was a favorite way of saying, "That's the truth." Now, it's "No diggity," she said, as in Blackstreet's hit single "No Diggity." "It just depends on what you're listening to," she said.

But nobody is clowned for using a word that's passé, she said. You might get a look, though.

Among the entries in the dictionary will be "kickin'," as in smelly, to relax or to give. "Mad," as in beautiful, very or a lot. "Peeps," as in friends, to look at, or to be aware of. "Mack," as in playboy, pimp, street-smart businessman or to rap to. "Four-one-one," meaning information. "Butter," as in nice. "Down low," as in quiet.

For Wes Craven, Enough of Freddy Krueger

By Robin Finn
New York Times Service

NEW YORK — He lives in the old Steve McQueen place, a Hollywood Hills aerie that he calls "Zenlike," but the veteran fearmonger and director Wes Craven insists that his home shows no sign of being haunted by anybody. Present owner included.

In Manhattan recently to discuss all that is terrifying not just about his newest film, "Scream," but about spending a quarter-century in the horror business, Craven looked so unalarming, with his muted Armani-ish threads and hint of California tan, that he fitted right in with the hip New York arts crowd trading lunchtime concepts and treatments at the TriBeCa Grill.

No one clinking glasses at the clamorous restaurant on the ground floor of Robert De Niro's film-production headquarters, seemed to realize that there was a gourmet of gore in their midst. No one had checked the out-of-towner at the door to make sure that the man who conjured up Freddy Krueger, the archetypal bogeyman of "Nightmare on Elm Street," hadn't brought his own knives . . . in place of fingers.

It was quite the opposite of the recent welcome he received from Santa Rosa, California, which refused to let him shoot his new shocker in its high school because it was convinced he would corrupt the children.

"I mean, really," Craven complained, surprised that a group of adults on "their moral high horse" could feel so strongly about keeping his cinematic vision out of their town.

Now, he was fresh off a plane from Miami, where he had ducked in and out at the behest of the film's producer, Miramax, to promote the latest in his oeuvre of occasionally classic fright films.

"Scream" opens with the stalking and eventual evisceration of the character played by Drew Barrymore and, despite an infusion of camp and comedy, is not for the faint of heart. Test-screened in Secaucus, New Jersey, before a local audience whose fright knew no bounds, "Scream" represents Craven's 19th foray into big-screen horror.

What scares Craven most is the possibility that he will never get a second chance to make a first impression. The man has a master's degree in philosophy and keeps a photo of his two grown children in his wallet, for goodness' sake, but even within his own milieu there is the perception that he lives and breathes for badness's sake.

Bart Bartholomew/The New York Times

Wes Craven, at home in Hollywood: The charms of horror can pale.

Trapped in a world he created 24 years ago when his first film, "Last House on the Left," overstepped its destination — a quirky Boston arts theater — to become a gory cult classic, the 57-year-old director has found out just how it feels to be a victim of Hollywood typecasting.

"People would literally grab their children and run out of the room when they saw my name on the screen," said Craven, who expected his first film to be a lark, not a life sentence. "And to the critics, I'm horrormeister this and slasher that. Sometimes I'm amazed at the stupidity of the critics. They take the whole genre as a swamp they don't want to go into."

But now the writer and director of "Swamp Thing" (1982) is ready to get out. Well, nearly. He fervently hopes that "Scream" is his next-to-last genre flick.

His delivery of the sufficiently scary but still R-rated "Scream" — the "R" makes it more bankable and advertiseable in the United States than a film with the more restrictive NC-17 rating — came with a carrot from Miramax: if he follows it with another genre gem, this one starring werewolves and motorcycles instead of Barrymore and Courteney Cox, Craven will be awarded his choice among a half-dozen projects now awaiting development.

He longs to make a feature based on "Fiddlefest," a documentary also known as "Small Wonders," which tracks a gifted cadre of New York youngsters from their poor neighborhoods to their violin concert at Carnegie Hall.

"They tell me I'm one picture away from making an art film, so there's light at the end of the tunnel," he said. "Except I still get the feeling I'm looked at like one of those mass murderers who gets religion in prison: You know they'll never quite trust you."

What's not to trust?

At lunch, his appearance stopped just short of tweedy. (He was, after all, a college professor before he turned to horror.) His reading glasses dangled from a keeper around his neck, his beard was neatly groomed and the only force of evil possessing him was a lingering case of early winter flu. He wasn't carrying a Filofax and didn't have a cellular phone glued to his ear; what he carried was a little black mesh bag stocked with decongestant, tissues and other practical flu fighters.

"The world of genre pictures is very easy to sort of sneer at and say this isn't art, but at the same time it's incredibly vital," said Craven, who insists that "perverse" is not the proper word to describe his fascination with nightmares and "the dark side of the American psyche."

"A horror film shouldn't be there just for the amusement of seeing people diced and sliced, but you have to admit there's been a hell of a lot of slicing and dicing in the course of human history," he noted. "Certainly there's an eternal evil there."

He grew up in an unlovely section of Cleveland where, if he wasn't actually exposed to violence, its specter lurked around every corner, even in his own home. His parents broke up, and his father died when he was 5, although not without leaving a terrifying imprint.

"By my fifth birthday I'd been exposed to a lot of anger, and to death," he said. "It's never quite left me, that perception that under the surface there's the potential for violence and chaos and things that are not accounted for by rational thought."

Craven was raised a brimstone Baptist: no movies, no smoking, no drinking, no card-playing. Problem was, he didn't share his family's beliefs and was convinced every preacher in town knew he was faking it.

"I failed to find Jesus, find redemption," said Craven, who had the impression he would burn in hell as a nonbeliever. "I felt I was at fault, had a very dark view of myself."

At 11, he had a personal experience of terror that revisited him much later in the form of Krueger, the janitor who murdered children in their dreams.

Craven was half asleep in his family's second-floor apartment but was awakened by a shuffling sound from the street below. When he looked out the window, a man in a fedora and overcoat leered up at him. Then the man walked to the vestibule of the building and entered.

Craven woke up his brother, who grabbed a baseball bat, but when they opened their door, the man had disappeared.

"Nothing actually happened," he said. "The guy was probably just a drunk, but I never forgot it, that feeling of the potential that existed for an adult to take amusement from terrifying you. So that guy got the paradigm vote when it was time to create Freddy."

CRUNCHES

British Museum Suffers Shrinking Pains

By Sarah Lyall
New York Times Service

LONDON — Late last fall, after a consultant advised the British Museum to impose admission charges as a way to ease its financial problems, the museum seemed ready to break with 238 years of tradition and force its 6 million annual visitors to pay at the door.

But in a decision that speaks volumes about the museum's sense of purpose, the 23-member board of trustees voted not to impose the fees, at least for now. Still, the trustees said that "the introduction of charges cannot be ruled out."

The debate over admission fees is just a small part of a wider discussion taking place at the British Museum these days. Famous the world over for its vast collection of 6.5 million treasures ranging from the oldest Neolithic antiquities to 20th-century manuscripts, the museum is wondering how it can maintain its singular way of operating while cutting costs and making other necessary changes.

The British government, which provides most of the museum's $84.5 million annual budget, announced late last year that it would begin reducing its contribution. By 2000, the museum says, it will be left with a deficit of $25 million to $34 million.

The crunch comes, interestingly enough, as the museum is gearing up for a $159 million development project that will turn its large courtyard, unseen for 150 years, into a soaring vast atrium complete with an education center, lecture halls, seminar rooms, new shops and restaurants, and much better access to many of the museum's galleries.

At the same time, the Museum of Mankind, a department that houses the museum's respected ethnographic collection, is to move from a separate building into the space in the main museum left by the removal of the British Library to new quarters.

A $53 million study center where the public will be able to watch the museum staff at work and have readier access to materials from the collections is also to be built. Much of the money, at least for the atrium project, is coming from National Lottery programs; all of it is entirely separate from the museum's day-to-day financing.

Museum officials are proud of the plans, and are hoping the new additions will go a long way toward addressing growing concerns about the institution's other-era feel.

Several recent events have contributed to a sense that the museum is in trouble. A scathing report released in October by Andrew Edwards, a former deputy secretary at the Treasury Department, indicted the British Museum's management style and its idiosyncratic methods.

Though the report praised the museum's scholarly work, the dedication of its employees and its unparalleled permanent collection, it depicted a place of chaotic finances with no qualified accountants on staff and where "with limited exceptions, no one knows what individual programs really cost."

A report depicted a place of chaotic finances with no qualified accountants.

The report further described how a fear of seeming vulgar or self-promoting meant that "no special effort is made to inform the public what the museum has to offer"; how an inbred system had discouraged movement of employees from the museum to other institutions, allowing its staff to more than double since 1972, and how the museum's information technology systems were so primitive that few offices have electronic mail and most are not even hooked up to a computer.

In short, the report said, the British Museum is a formidable but often anachronistic institution that has done little to prepare for the future.

"Everyone agrees that it needs to be reorganized," said a consultant who has worked with the museum in the past and who spoke on condition of anonymity. "It's a fantastic institution, but essentially it's living in another era. There is a feeling that it needs to be brought into the 20th century, if not the 21st."

The museum appears to be run on very different principles from, say, the Metropolitan Museum of Art, which has a suggested admission of $8 and is slickly laid out and organized for maximum ease to the visitor. At the British Museum, by contrast, modernized galleries sit near musty, overcrowded halls with haphazardly organized displays and outdated information.

The bathrooms are inadequate, and on busy days the cloakroom fills up so quickly that many visitors can't check their coats.

What's more, because of constraints, the doors do not open until 2:30 P.M. on Sundays, typically one of the most popular days for museumgoing. Small signs ask people to make voluntary donations of £1 (about $1.70) as they come in, but this raises only about £300,000 a year, a tiny amount for the museum.

"There has been a tendency to ignore the needs of visitors and regard them as just something that one has to put up with," said a museum official who insisted on anonymity.

But the museum's director, Robert Anderson, feels strongly that it should not go too far the other way, becoming self-aggrandizing at the expense of its quiet but powerful strengths.

"All museums are different, and some do blow their horn very loudly indeed, but I don't think that in itself is necessarily a virtue," Anderson said. "Edwards is talking about a new regime that has come into being in some places, but it is by no means universal. It's applicable in part to us, but I think it might go a bit far."

The museum is facing severe cuts in government financing. Among other measures, Anderson said, it is considering reducing special exhibitions and loans to other museums and making substantial reductions in staff.

But he argued that the financial crisis arose not from gross fiscal mismanagement but from government cuts. "We're having to adjust to a new life with less money," he said.

PEOPLE

THE producer, songwriter and recording artist **Kenneth (Babyface) Edmonds** was nominated for 12 Grammy Awards, tying a record set 14 years ago by **Michael Jackson. Smashing Pumpkins** received seven nominations, including album of the year for "Mellon Collie and the Infinite Sadness," while **Tracy Chapman** and **Vince Gill** were each nominated for five awards. Babyface, as he is known, had a role in two of the nominees for song of the year, a songwriting award. He was nominated for writing "Exhale (Shoop Shoop)," sung by **Whitney Houston.** He produced **Eric Clapton's** "Change the World," for which songwriters **Gordon Kennedy, Wayne Kirkpatrick** and **Tommy Sims** were nominated. Clapton's "Change the World" was also nominated for record of the year, along with Chapman's comeback hit, "Give Me One Reason," the Canadian singer **Celine Dion's** "Because You Loved Me," **Alanis Morissette's** "Ironic" and Smashing Pumpkins' "1979." In addition to the two Babyface-related songs, nominees for song of the year were "Because You Loved Me," **LeAnn Rimes's** "Blue" and "Give Me One Reason." Nominees for best new artist were the 13-year-old country singer Rimes, the **Tony Rich Project, Jewel, Garbage** and current chart-toppers **No Doubt.**

□

Beryl Bainbridge won Britain's 1996 Whitbread award for best novel Tuesday, while **Seamus Heaney** took home the poetry award. Bainbridge's book, "Every Man For Himself" tells the story of the Titanic disaster of 1912 through the eyes of a young man. Heaney's winning work, "The Spirit Level" is his first new collection of poems in five years and his first since he won the Nobel Prize for Literature in 1995. "Quite simply, this was his best book," the judges said. "It confirms Seamus Heaney's reputation as one of the greatest poets working in the English language."

Gregg Newton/Reuters

***WIDE AWAKE* — Two of the 16 teams participating in the 2d annual bed race in Rio de Janeiro leaping off the starting line on the Copacabana beachfront.**

□

The Jerusalem International Book Fair awarded its annual literary prize to the Spanish writer and former culture minister **Jorge Semprun.**

□

Frank Sinatra was hospitalized for undisclosed reasons, two months after an eight-day hospital stay that led to sensational reports about his health. Sinatra turned 81 on Dec. 12. A hospital source speaking on condition on anonymity said Sinatra wasn't suffering from anything life-threatening.

□

Parkinson's disease has slowed **Muhammad Ali** down, but the boxing legend called his illness "a blessing." "I always liked to chase the girls," he says in the current issue of People magazine. "Parkinson's stops all that. Now I might have a chance to go to heaven." And what are his plans for the future? Ali, a Muslim, said: "Go to Mecca, pray five times a day and stay pretty."

□

"Breaking the Waves," **Lars von Trier's** harrowing tale of the spiritual odyssey of a sheltered young woman, was voted the best film of 1996 by the National Society of Film Critics. Von Trier's direction and **Robby Muller's** rough-edged cinematography for "Breaking the Waves" were also cited by the 48-member group. **Emily Watson,** the star of "Breaking the Waves," was voted best actress. The group's choice as best actor was **Eddie Murphy** for his multifaceted comic performance in "The Nutty Professor." **Martin Donovan** and **Barbara Hershey** were named best supporting actor and actress for their work in "The Portrait of a Lady." Best screenplay was "Mother," written by **Albert Brooks** and **Monica Johnson.** And "La Ceremonie," **Claude Chabrol's** coolly elegant thriller, was voted best foreign film.

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